



Daily Report

China

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Daily Report

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General

Changes in Foreign Policy Reviewed

OW2202163489 Beijing BEIJING REVIEW
in English 13-26 Feb 89 pp 12-17

[Article by Xie Yixian: "China's Foreign Policy: A 1980's Tune-up"]

[Text] China's foreign policy has gone through a series of adjustments since the world entered into the 1980s. These adjustments are mainly reflected in the following aspects:

Nonalignment

One of the main alterations is in regard to the Chinese attitude towards the two superpowers, specifically whether there is a need for China to unite with one side against the other.

In the 1970s, China's foreign policy was mainly focused on opposing the two superpowers, especially Soviet hegemonism. The United States, West European countries, Japan and China jointly fought against the hegemonism of the Soviet Union. This fundamental policy of China took root in its estimation of the international situations then and its theory of the "three worlds." It maintained that the Soviet Union was the main threat to world peace and China's security because in the world strategic pattern, the Soviet Union was on the offensive while the United States was playing defence. This attitude, which had affected other aspects of China's foreign policy, has changed now. In the 1980s, China declared that it would never attach itself to either of the superpowers or establish an alliance or strategic relations with either of them.

China's foreign policy was transformed by objective changes in international situations and interpretations regarding them. Some significant changes in world situations during the 1980s absorbed the attention of the Chinese people.

First, after Ronald Reagan took office in 1981, the United States began expanding its armaments and seeking military superiority over the Soviet Union. In order to roll back the Soviet influence, it spared no efforts to create low-intensity wars at some "hot spots." In its rivalry over the Middle East with the Soviet Union, it sent troops directly to Lebanon in May 1983. In October the same year, it again dispatched troops, this time to Grenada and overthrew the government there, which it regarded as a left-wing puppet of the Soviet Union which found itself in a passive position facing the onslaught of U.S. offensives and lost scores to the United States repeatedly. In addition, the Soviet Union was caught in the mire of Afghanistan and could not achieve the results it had predicted to gain with its military interference. So in fact, the strategic situations were transformed from Soviet offensives into bilateral confrontations.

Second, Reagan and his brain trust are celebrated for sympathizing with the Taiwan regime. Reagan had once threatened, before he took office, to restore official relations with Taiwan. He also insisted on selling a huge amount of advanced weapons to the island. In early 1981, the U.S. Government acted more willfully, disregarding the views of the Chinese people. From signals of the U.S. Government, the Chinese people sensed that Washington did not treat China as an equal. The U.S. Government thought that as China had to look to it for help, it could act as it pleased on the Taiwan issue while China had no option but to accept all the bitter results.

Third, in the 1970s, China thought that capitalism had been restored in the Soviet Union and that, as a budding imperialist country, the Soviet Union was more likely to risk launching a war to expand its influence. But since then, as more Chinese delegations visited the Soviet Union and investigated into the Soviet society, the conclusion about the social character of the Soviet Union has been dispelled.

Generally speaking, the international situation in the 1980s demonstrates that the United States and the Soviet Union are still superpowers and both are seeking hegemonism. But they are now on an equal footing powerwise and at a strategic stalemate. So, at such a time, China lacks objective grounds on which to unite with one against the other, although trying to maintain a complete balance in state relations with the two would be difficult.

China's policy of nonalignment with either of the two superpowers means that China will not do anything to break the basic equilibrium of strength between them. By keeping its thumb off the scale, China aims to reduce the danger of war which might arise from a break of such an equilibrium.

This nonalignment policy will help China to strengthen its independent, self-reliant stance in the world under current situations. China has realized that its strength cannot compare with that of the two superpowers, but it has a position of great importance in the world and can play a significant role in international affairs. So it should not depend on either of the superpowers. On the contrary, it should maintain its independence and keep the initiative in its own hands at all times, dealing with all international affairs according to their own relative conditions.

Disarmament

Another adjustment in China's foreign policy is shown by its attitude towards the disarmament talks and peace movements, such as the demand for a ban on nuclear weapons.

In the 1970s, China criticized all the disarmament talks between the two superpowers and other talks such as the conference on European security and co-operation. It

refused to participate in various peace movements because it thought they would have little effect on both the United States and the Soviet Union. This attitude may have given people the false impression that China did not assent to the disarmament and banning of nuclear weapons.

Through adjustments, China has turned to approve of and ready to participate in all kinds of disarmament talks and talks on banning weapons with massive killing abilities. In all these activities, China stresses that the two superpowers should take a lead in reducing armaments and in banning and destroying all nuclear weapons. As to pertinent talks between the two superpowers, China holds that dialogues are better than confrontations. And it hopes to see them reach compromises nondetrimental to any third country.

In recent years, China has reduced troops by 1 million and taken the initiative in ceasing atmospheric nuclear tests. It also solved peacefully issues concerning Hong Kong and Macao, remnants of historical Sino-British and Sino-Portuguese relations, by means of a "one country, two systems" policy. All these have demonstrated that China has made practical efforts in promoting world peace.

This adjustment is based on the following factors:

1. The danger of a world war has reduced. Now only the United States and the Soviet Union have the qualifications to launch a world war. The United States is still a dominating force in the world although its strength is weaker than before. But it is hard to say that it would want to launch a war that would probably sabotage its vested interests in the world. As for the Soviet Union, since it is no longer seen as a younger imperialist country, there is no ground for believing that it will launch a world war.

2. While the danger of a war still exists, there is a healthy and strong opposition as well. The rapidly developing peace-loving forces include not only the people of the United States and the Soviet Union but those of West and East European Countries, too. Although European countries are allied respectively with the United States and the Soviet Union, they certainly have no desire to bind themselves to the superpower's war chariots.

3. The stronger the destructive power of the nuclear weapons is, especially when they are capable of destroying the whole world, the more the owners dare not use them.

4. The law of uneven development in regard to Western countries' politics and economies has played a clear role in world politics. Japan's economy has developed more rapidly than that of the United States. The former's per capita gross national product, financial strength and the situations involving balance of international payments are all higher and better than those of the latter. Japan's

economic superiority is now being transformed into a political high card. In view of the development of nuclear weapons and the current distribution of the nuclear strength, it is unlikely that such economic clout can be permitted to change into military superiority.

So, since China put forth the view that the world can be kept in a peaceful environment for a long time, it has won more and more support from the people of the world.

Coexistence

The third important adjustment of China's foreign policy is that China has emphasized even more the universal application of the Five Principles of Peaceful Coexistence. It has been applying these principles to as wide a sphere as possible and judging to set distant or close relations with a country on the grounds of whether it carries them out.

Early in 1954, China, together with India and Burma, urged that the Five Principles of Peaceful Coexistence be regarded as a universal norm in international relations. Now China still emphasizes these principles and is ready to establish and restore relations with all countries in the world on this basis. As to the United States and the Soviet Union, China has drawn them into the sphere of "all countries in the world." That means China will improve relations with the two powers on the basis of these principles. This has been regarded as the main adjustment in China's foreign policy during the 1980s.

Today, China still opposes all kinds of hegemony, no matter when and where it takes place or who does it. But China is neither an anti-U.S. country nor an anti-Soviet country. On the contrary, it hopes to develop and improve relations with them on the basis of the five principles. China seeks the stable development of Sino-American relations in line with those principles reached by both sides in all previous communiques. It also looks to the real improvement of its relations with the Soviet Union in the course of dispelling the three major obstacles impeding the development of such ties. China also hopes the United States and the Soviet Union will handle the relations between them and their relations with other countries according to the five principles.

This adjustment may help China greatly improve its relations with the countries that are deeply influenced by the United States or the Soviet Union. It may also enrich the contents of China's policy towards developing relations with all countries on the basis of the five principles.

Economic Ties

Promoting common economic prosperity as one of the basic targets of China's foreign policy is another new adjustment.

After the Soviet October Revolution, two social systems, socialism and capitalism, existed in the world. In the past, foreign policies of socialist states never embraced a concept of "joint economic prosperity" among countries with different social systems. Top party leader Zhao Ziyang, in his explanation of the "ten aspects" of China's foreign policy, said that "opposing hegemonism, maintaining world peace, developing friendly cooperation among countries and promoting joint economic prosperity" are fundamental goals for China. Among them, "promoting joint economic prosperity" is a new addition.

In the 1980s, China's foreign economic relations have included making use of foreign capital, importing technology, providing assistance to other countries, signing labour service contracts with foreign countries and developing multilateral co-operation. China has joined, one after another major global and regional organizations and conferences for financial regulation and economic co-ordination in the capitalist world. China is also warming up to the common decorum of global economic activities. China competitively entered the international market, agreeing to free international trade and opposing protectionism. China's bedrock strategy of economic development in the coastal areas was also made in view of opportunities afforded by international economies. In general, China has its eyes on how to combine its economic strategy and foreign economic activities with international economies.

It needs to be pointed out that, for socialist countries, "promoting joint economic prosperity" is a pursuit in line with the peaceful co-existence policy. It substantiates the contents of the latter with economic development and prosperity. Meanwhile, it is also the fruit of a proper understanding of the world revolution and human progress issue. Now China maintains that revolution is not exportable and that there is no such thing as world revolution in state relations, which should be guided only by the Five Principles of Peaceful Coexistence.

Zhao pointed out in 1985 that, to China, striving for lasting peace, developing international cooperation and promoting joint prosperity are the sole reasonable choices in our age. Since the 1970s, the colonialist system has thoroughly collapsed and Western countries, from the initiative of Nixon doctrine to the convening of the European security conference, have accepted ideas of peaceful coexistence among countries with different systems. For this reason, in the 1980s Chinese leaders clearly stated that peace and development are the two themes of current times.

Of course, advancing such ideas has its prerequisites: First, the Chinese people have realized that they can never carry out their four modernization programme by closing their country to international intercourse. China must conduct reform, open its door and invigorate the economy. It needs to develop friendly cooperation with many countries and encourage relations under the prerequisite of jointly promoting economic prosperity

according to the principle of equality and mutual benefit. Second, it has been proved in history that foreign actions that run counter to the peaceful coexistence ideas will get absolutely nowhere. Third, social productive forces in socialist countries have not surpassed those in capitalist countries. Most efforts of developing countries to seek the way out through collective economic model were not successful.

This has forced them to consider and accept the development of interdependent economic relations, coexisting with countries under different systems and at various levels of economic development, so as to seek better measures for their economies.

China belongs to the Third World and its historical experiences and today's task determine that China is rightfully aligned with the developing countries in regard to international political and economic relations. The Third World, populated by three-fourths of the globe's inhabitants, is a major force to oppose hegemonism and maintain world peace. All these determine that China must take strengthening solidarity and co-operation with the third world as its basic standpoint. Various adjustments of China's foreign policies will surely not change that stance and China also will not forget the position of the Third World in "promoting joint economic prosperity."

NATO, Warsaw Pact Arms Strategies Viewed
HK2302054589 Beijing JIEFANGJUN BAO
in Chinese 12 Feb 89 p 4

[Weekly commentary" by Dongfang Tie (2639 2455 6993): "'Showing Weakness' Strategy by NATO and Warsaw Pact"]

[Text] Recently, the two major military blocks, NATO and the Warsaw Pact, have seemed to be engaged in a competition in "being modest." Each has tried hard to pin the label of "military superiority" on the other. This may be said to be a kind of "showing weakness" strategy adopted by both sides.

This is testified to by the following examples: On 25 November 1988, NATO made public a report on "The Actual Situation Regarding Conventional Military Strength in Europe," and asserted that the Warsaw Pact had great superiority in both land forces and air forces. However, the Warsaw Pact politely returned the label of "superiority" to NATO on 29 January 1989, when the former made public for the first time the conventional forces stationed in Europe. It held that the military strength of both sides in Europe was "more or less the same," but that NATO had "considerable superiority" in naval strength and had more aeroplanes and antitank rocket systems at the front. Seeing this competition in being "modest," people can only feel surprised and ask: Where is the enthusiasm they had when they strove for military superiority in the past?

Of course, each of the two major military blocks has said the other side has superiority not out of politeness, but to meet the needs of disarmament talks. At the continued meeting of the Conference on Security and Cooperation in Europe in Geneva, NATO and the Warsaw Pact reached an agreement on talks on cutting conventional weapons in Europe, which stipulates that the purpose of the talks is to establish a stable and reliable parity in conventional strength and to eliminate disparity in offensive strength. This means that the purpose of the disarmament is to attain parity in conventional strength at a low level. In addition, the Soviet Union has abandoned the principle of proportional equal reduction and has accepted NATO's "unequal" principle. According to the latter principle, the side which has superiority in a certain kind of weapon will have to reduce more. Consequently, the word "superiority" has become taboo for both NATO and the Warsaw Pact. Both sides have adopted the strategy of hiding their capacity and hiding what they have in order to win the support of public opinion so that the opposite side will be compelled to make greater concessions in future talks.

This "showing weakness" strategy has been manifested in many aspects, and using different standards for measuring and evaluating military strength is one of them. NATO has accused the Warsaw Pact of using "different concepts" in evaluating military strength in Europe; that is, naval strength, in which NATO has superiority, has also been included, but only the reduction of land-based strength will be discussed in the upcoming all-Europe disarmament talks. Regarding this, the Warsaw Pact argues that although naval strength is not directly involved at present, disarmament should aim at achieving parity in the overall strengths of the army, navy, and air force of both sides, and that in discussing land-based strength, this factor should be taken into consideration. At the same time, the Warsaw Pact has also accused NATO of resorting to unfair means, saying that the figures were "worked out using selective methods" which only included things to its advantage. Since there are no "common rules for calculation," the disarmament talks on conventional weapons have become even more complicated.

Moreover, the figures for the quantities of some main weapons used for comparison published respectively by NATO and the Warsaw Pact differ greatly. For instance, the Warsaw Pact says that it has 59,470 tanks and NATO has 30,690, a ratio of 1.94:1; but NATO says the Warsaw Pact has 51,500 tanks and that it has only 16,424 tanks, a ratio of 3.1:1. The discrepancy in the number of helicopters is even greater. The Warsaw Pact says NATO has many more helicopters than itself, and that the ratio is 1.9:1; but the figures published by NATO show quite the opposite. NATO says that the Warsaw Pact has more helicopters than it has, and the ratio is 1.5:1. The great discrepancies in the figures published by the two military blocs and the mutual accusations regarding false figures can only make people feel that the "military transparency" in Europe at present is indeed very low. If it is not

possible even to clarify the basic data regarding the armed forces, what will disarmament be based upon, and how can inspection and verification be carried out?

The fact that NATO and the Warsaw Pact regard "superiority" as a taboo does not mean that they will no longer endeavor to develop their military strength. The reason they have attempted to show weakness is precisely to build up greater strength in the reality of confrontation. They are only trying to increase their military strength in a new way. As far as the United States is concerned, not long ago the Pentagon used computers to carry out a "military exercise" to prove that if NATO adheres to the new principle of "competitive strategy" and lays stress on superiority in developing technology and using high-technology weapons, it can defeat the armed forces of the Warsaw Pact despite the latter's superiority in numbers. The "victory" in the exercise has made the U.S. decisionmaking circles feel pleasantly surprised. Many people are in favor of readjusting the structure of NATO's armed forces to improve their quality in accordance with the new strategy. The trend of reducing conventional weapons in Europe has made NATO and the Warsaw Pact pay greater attention to improving the quality of their armed forces. Therefore, in analyzing the situation of military strength in Europe, we should not be misled by the "showing weakness" phenomenon of the two major military blocs.

United States & Canada

Beijing Prepares for U.S. Presidential Visit

Bush To Arrive 25 Feb

OW2402095689 Beijing XINHUA in English
0225 GMT 24 Feb 89

[Text] Beijing, February 24 (XINHUA)—U.S. President George Bush and his wife are expected to arrive in Beijing Saturday on a working visit to China at the invitation of Chinese President Yang Shangkun and Premier Li Peng.

During his visit to China, Bush will meet Deng Xiaoping, Zhao Ziyang and other Chinese leaders to exchange views on international issues of common concern and Sino-U.S. relations.

XINHUA Interviews Bush

HK2402135689 Beijing XINHUA in English
1337 GMT 24 Feb 89

["Bush on Sino-U.S. Relations and World Issues" (by Wu Jin and Wei Guoqiang)—XINHUA headline]

[Text] Washington, February 24 (XINHUA)—U.S. President George Bush said that current relations between China and the United States are "healthy," and that the two sides should "improve relations further and make them more solid."

President Bush said this during an exclusive interview with XINHUA prior to his visit to China set for February 25-27. During the interview Bush also dwelt upon issues concerning the world situation, disarmament, and regional conflicts.

Bush, once the Director of the U.S. Liaison Office to Beijing, said that the most important achievement in Sino-U.S. relations is that the "two governments maintain a serious and cooperative dialogue on a wide range of bilateral and international issues."

On the Taiwan issue, Bush said, the United States is "pleased to see that the growing opportunities for trade and travel between both sides of the Taiwan Strait have contributed to a climate of relaxed tensions and hope these trends will continue."

He said that his country is committed to "abide by the three communiques of 1972, 1979, and 1982, which provide a firm basis for the further development of our relations."

"To improve relations further and make them more solid, I think we should build on what we have already accomplished," the President said.

Bush, who declared his intention to visit China only five days after he was sworn in on January 20, will arrive in Beijing Saturday to start a two-day visit. He is expected to meet with top Chinese leaders for talks on a wide range of issues of common concern.

Referring to global issues, Bush said that he is "cautiously optimistic" about the current world situation, in which he said there are not only "positive" changes but also "important differences."

He said "the need for cooperative solutions to worldwide concerns" has been widely recognized, and national security cannot be achieved through military means alone."

However, he added, the differences, as they are based on fundamental values and interests, "must not be minimized nor do they lend themselves to an easy resolution."

When asked whether the process of detente is irreversible, Bush said, "nothing in this world is irreversible."

Referring to disarmament, Bush said that his administration hopes for significant progress in all aspects of arms control—nuclear, conventional, and chemical.

On conventional disarmament, Bush said that even with the conventional reductions announced recently by the Soviets, "Warsaw Pact forces will still retain substantial conventional superiority over NATO." "Redressing this military imbalance in forces will be a prime objective of NATO at the upcoming talks," he added.

On the Strategic Arms Reduction Talks (START), he said that the United States is committed "to working toward a START agreement which will improve stability and reduce the risk of war."

Bush said the U.S. will continue its research in the Strategic Defense Initiative (SDI), which he said is "an important program" for stability, "to help us understand how and when we might move in the direction of a greater reliance on defenses."

On chemical weapons, (CW), Bush said that the first objective of the United States is "the negotiation of a comprehensive, truly global and effectively verifiable CW ban."

Talking about Central America, Bush said that the United States continues to seek a solution to conflicts in that region.

On the Arab-Israeli conflict, Bush said that the United States "will continue to work closely with the parties to forge a common basis that will facilitate negotiations among them and a durable settlement."

Regarding the issue of the Korean Peninsula, Bush said that while the atmosphere there has improved somewhat, "it would be far too optimistic at this time" to suggest that tensions have been reduced.

Bush on Sino-U.S. Relations

HK2402142089 Beijing XINHUA Hong Kong Service
in Chinese 1209 GMT 24 Feb 89

[Report: "LIAOWANG OVERSEAS EDITION publishes a special article entitled "President Bush Answers Questions Raised by this Magazine's Reporter Talking Freely on the Current International Situation and Sino-U.S. Relations"]

[Text] Hong Kong, 24 Feb (XINHUA)—On the eve of his visit to China, U.S. President Bush was interviewed by a XINHUA reporter and a special correspondent from this magazine. He talked freely on the U.S. Administration's attitude toward the global situation and disarmament and arms reduction, toward the situation in the Middle East and Central America and the challenges the United States is facing from Japan and Western Europe in the economic and technical fields, toward Sino-American relations and the Taiwan issue, and toward other aspects. A full text of this special interview will appear in the No 9 issue of the LIAOWANG OVERSEAS EDITION on 27 February.

Touching on his general view of the current world situation, President Bush said: The world of today has a lasting and unchanging feature—change. There has appeared such a trend in the world: People have increasingly realized the need to cooperate in solving problems

of concern to the world, such as the peaceful settlement of disputes, the environmental problem, a guarantee for global economic growth, and so forth.

On Sino-American relations and the Taiwan issue, Bush said: Our two countries are in a fine state. We are now cooperating in political, economic, scientific, cultural, educational, military, and many other fields. He said: We are glad to note that increasing trade and travel opportunities between the two sides of the Taiwan Straits has contributed toward relaxing the tense atmosphere. We hope that this trend will continue to develop. The United States undertakes to comply with the three communiques in 1972, 1979 and 1982. These communiques have provided a firm basis for the further development of our relations.

The current issue of the LIAOWANG OVERSEAS EDITION will also carry a signed commentator's article on the Japanese government's open attempt to escape responsibility for the war after Japanese Emperor Hirohito's death—an article entitled "There Is No Changing Historical Facts." The article stressed: "No one who wants to can change the nature of World War II and the responsibility for the war."

The relevant issue also carries an article, "A Note from Beijing: 'Initial Results of Improvement and Rectification Noticeable, the Situation Still Grim.'" It tells of China's implementation of the call to improve the economic environment and results achieved. Meanwhile, the same issue carries such important articles as "The Situation in Afghanistan After the Withdrawal of Soviet Troops," and so forth.

Upcoming Visit Analyzed

OW2402102489 Beijing Domestic Service in Mandarin
0530 GMT 24 Feb 89

[From the "International News and Current Events" program; "News Analysis: Though the Trip Is Short, Its Significance Is Great"]

[Text] U.S. President George Bush's visit to China on 25 February is an event of great significance in foreign policy. He is coming to China after taking office a little more than a month ago, reflecting the importance the U.S. Government attaches to Sino-U.S. relations.

In view of the rapid development of events taking place in the international arena, increased consultation between Chinese and U.S. leaders through high-level contacts will undoubtedly have an extensive international impact and attract world attention.

This visit will not be accompanied by any ceremony. There will not be any welcoming ceremony, tours, or speeches. This is a purely working visit. Bush will stay in

Beijing for only 40 hours. He will hold a series of meetings and talks with Chinese leaders during this short period, exchanging extensive views on important and wide-ranging subjects.

The international situation is changing and is now at a turning point. U.S.-Soviet relations have improved, and Sino-Soviet relations are likely to become normalized in the near future. Political solutions for hot spots in many regions are making progress or have become possible. One significant issue of the talks between Bush and the Chinese leaders will undoubtedly be how to assess the current trend of international development. Another important issue the two sides are likely to discuss is the situation in Afghanistan following the withdrawal of Soviet troops, particularly ways to avoid a civil war in that country and bring about peace. The political solution to the Cambodian issue has entered a crucial stage. Another important topic which Bush and the Chinese leaders are likely to tackle concerns ways to persuade Vietnam to withdraw its troops from Cambodia completely without conditions, as well as ways to bring about a just and reasonable solution to the Cambodian problem at the earliest possible date.

Bush will be coming to China after attending the funeral of Japan's Emperor Hirohito. He will also stop over in South Korea for a few hours. This is his first overseas trip since taking office as President. It indicates the importance that the U.S. Government attaches to the Asia-Pacific region. During his talks with Chinese leaders, the situation in the Asia-Pacific region is likely to be another important topic.

It is expected that Bush and the Chinese leaders will spend a considerable amount of time discussing Sino-U.S. relations, seeking extensive and broadly based ways to advance these relations during the second decade of Sino-U.S. diplomatic ties. People believe that if the two sides strictly observe the principles spelled out in the three Sino-U.S. joint communiques, develop the positive elements of their relations, and eliminate the obstacles hindering this development, then Sino-U.S. relations will overcome all difficulties and continue to move forward. The Taiwan issue remains an important factor hindering the steady development of Sino-U.S. relations. It looks likely that the leaders of the two countries will touch on these issues during their meetings.

Bush and the Chinese leaders will also work toward expanding trade and economic cooperation. It will benefit both countries if the United States further relaxes its stand on the transfer of technology to China.

Bush was the first head of the U.S. Liaison Office in China during the 1970's and worked in Beijing for 13 months. Since then, he has visited China four times. Bush will be coming to China now as an old friend, enjoying true and warm hospitality. Bush has said that Sino-U.S. relations are important and forceful, and that

these ties must be expanded and strengthened in the future. People are looking forward to seeing this visit make a new contribution in this direction.

U.S. Taiwan Role on Agenda

HK2302133089 Hong Kong AFP in English
1310 GMT 23 Feb 89

[Text] Beijing, Feb 23 (AFP)—China put Taiwan at the top of its agenda for President George Bush on Thursday, saying it wants the United States to help bring the Nationalist-ruled island closer to the mainland.

Foreign Ministry spokesman Li Zhaoxing said Taiwan was a "major obstacle" in Sino-U.S. relations, 10 years after Washington ceased to recognize the Kuomintang (KMT) in Taipei as the sole legitimate ruler of all China.

But he added: "We stand for the peaceful reunification of the motherland (and) we are in favor of the establishment of free links with Taiwan."

"In our view, the United States can take some measures to do something in this regard," Mr Li told a weekly press briefing.

Washington, which still has close unofficial ties with Taiwan, has been reluctant to get involved in the issue, though it welcomes the present reduction of tension between both sides of the Taiwan Strait.

Mr Li described the Bush visit as a "big event" in Sino-U.S. relations, which he said were "smooth and stable on the whole."

Mr Bush, the first U.S. President to visit Asia before Europe at the start of an administration, arrives here Saturday from Tokyo, after attending Friday's funeral of Japan's Emperor Hirohito.

Meetings are set for Sunday with all top Chinese leaders, including Deng Xiaoping, and Mr Bush is also expected to talk with Cambodian resistance leader Prince Norodom Sihanouk.

He leaves Monday for South Korea.

While welcoming the Bush visit, Mr. Li criticized unidentified U.S. congressmen for speaking out on the future of Hong Kong.

Drafting of a mini-constitution for post-1997 Hong Kong, known as the Basic Law, was "entirely China's internal affair" and no foreigners have the right to interfere, he said.

"It is hoped that U.S. congressmen in question will refrain from doing anything detrimental to the friendship between China and the United States," the spokesman said.

Hong Kong reverts to Chinese rule in July 1997. Under a Sino-British agreement, the territory is to retain its capitalist economy and a degree of political autonomy for at least 50 years.

But political activists in Hong Kong say there are no guarantees that the territory's chief executive (governor) and most of its Legislative Council will be popularly elected after 1997.

Church Prepares for Visit

OW2302124289 Beijing XINHUA in English
1225 GMT 23 Feb 89

[Text] Beijing, February 23 (XINHUA)—The Chongwenmen Christian Church in Beijing is busy preparing for U.S. President George Bush's attendance at its morning service of the coming Sunday during his China tour due to start on Saturday.

Bush will be the first American ever to go to a Chinese church in the capacity of President.

Pastor Shi Zesheng of the Chongwenmen Church told XINHUA: "We'll be very glad to receive our old friend Bush. He will honor us by attending our Sunday service, as he used to do some 14 years ago."

The 63-year-old pastor disclosed that during the proposed 30-minute service at which he will officiate, Chairman Ying Jizeng of the Beijing Christian Council will preach the sermon. Ying baptised Bush's daughter Dorothy in 1975.

Bush and his wife, Barbara, regularly attended church when Bush headed the unofficial U.S. Liaison Office in the Chinese capital in 1974-75, a fact that the pastor remembers well.

"The Chongwenmen Church grew out of the church Dorothy was baptised in," says Shi, "and I was then playing the organ there."

"The couple were very friendly and they usually came to church by bike while other Beijing-based diplomats travelled by car."

The Chongwenmen church, with a history of nearly 80 years, is the largest Protestant church in Beijing. It is divided into two halls which can hold some 1,200 people.

Shi said: "Each Sunday about 900 attend service, including some 100 foreigners. Last Christmas Eve more than 2,700 came to the church."

The American evangelist Billy Graham preached there last year.

Shi is one of seven clergymen in the church. He said that since 1979 the Beijing Christian Council has baptised more than 1,000 people, among them are an increasing number of young and middle-aged.

According to statistics, there are nearly four million Protestants and three million Catholics in China.

Bush's Image Emerges 'Out of Reagan's Shadow'
HK2302144989 Beijing RENMIN RIBAO
in Chinese 23 Feb 89 p 3

[Article by Chen Gong: "Bush: Getting Out of Reagan's Shadow"]

[Text] It has been a "full month" since U.S. President George Bush was sworn in. How is his image today? Has he walked out of "Reagan's shadow?" During his presidential campaign last year, public opinion had it that Bush "lacked political ideas of his own"; he found it difficult to vindicate himself then. In fact, there was no need to do so. Even before the victory of the 1990 Reagan-Bush presidential campaign, Bush had said that he would duck his head and keep his mouth shut as vice president of the United States, one of his assistants disclosed.

It was not until he became President of the United States that he proved this in his own words: "Should I (in the capacity of the vice president) say something that hurts myself only, it would be one thing. But should I say something that hurts the President, I would feel extremely awful. This made me extraordinarily cautious, because I did not want to do anything like that in my office as the vice president;" but "any assertion based on this that I am void of viewpoints and political ideas of my own would be wrong and absurd." In fact, since Bush became President-elect last November, he has greatly changed from his old image as the vice president, and his individuality has gradually come to light.

A Batter With a Powerful Swing

In last November, the then-Secretary of State Shultz rejected an entrance visa for Arafat to attend the United Nations General Assembly in the United States. Both the U.S. Government and public believed it to be a faulty move. Reagan was spending a vacation in California at that time, and "did not take care of the matter." Bush's spokesman had to make a statement, saying: "As a cabinet member, Vice President Bush supports this decision." It was obvious that he undertook to do a rather difficult job as best he could. Other sources of information disclosed that, privately, Bush had found the decision as unexpected as disappointing, saying that it was "a very stupid mistake."

As President-elect, Bush was not so willingly compromising as he had been. He exerted pressure on Shultz, and urged the Department of State to "soften up," while asking Reagan to personally "deal with the matter."

Eventually, Shultz changed from arrogance to humility, and declared that the United States decided to conduct "substantial talks" with the PLO. That was a "great change in the U.S. policy toward the Middle East." Public opinion said that one of the reasons attributed to the sharp turn in U.S. policy was "a batter with a powerful swing" faced Shultz.

A Slight Cut

Naturally, Bush no longer had to duck his head and to keep his mouth shut when it was settled that he would become the next U.S. President. Feeling smug when the inauguration was over, Bush has allowed his individuality to come to light. On 9 February, Bush actively proposed a freeze of defense spending in the 1990 fiscal budget, the first of the new administration, and made a slight cut in military expenditures, reducing \$2.6 billion from the plan proposed by Reagan on 9 January.

A Pragmatic Cabinet

The cabinet that Bush has appointed also reflects his long-standing pragmatic style. Public opinion believes that Bush's cabinet has the following characteristics: First, there are many old hands in officialdom. Statistics have shown that more than 80 percent of the new cabinet members are old hands. With the exception of White House Chief of Staff John H. Sununu, Council of Economic Advisers Chairman Michael J. Boskin, and Secretary of Commerce Robert A. Mosbacher, all important cabinet members have been senior officials or congressmen in the previous three Republican administrations.

Second, it has an extensive network in the Congress. Vice President Dan Quayle, Secretary of Defense-designate John G. Tower, and Secretary of Treasury Nicholas F. Brady have all been congressmen.

The Office of Management and Budget Director Richard G. Darman was an important player in tax cut and tax reform in the first 6 years of the Reagan administration, and has had a good grasp of Capitol Hill. Secretary of Labor Elizabeth H. Dole is wife of Senator Bob Dole, Republican leader in the Senate. Shortly after he came into office, new Secretary of State James A. Baker III advocated that diplomatic decision-making return to the pre-Vietnamese war period characterized by bipartisan support; for this, he won an ovation at Congress. We can hardly say that the above-mentioned arrangement was not purposely made. The Republican Party to which Bush belongs is in the minority in Congress, and a way must be found to mend such an imbalance. Bush himself has also struck a pose of being cooperative with Congress: "Just call me George;" calling him by his first name sounds more intimate than "Mr President."

And third, there are many experts. Secretary of State Baker worked 7 years or so in the Reagan administration, and had all along participated in the major decision-making of political and economic strategies.

National Security Adviser Brent Scowcroft held the same post during the Ford administration, and Bush was at that time CIA director under his leadership. Secretary of Defense-designate John G. Tower records in his resume the chairmanship of the Senate Armed Services Committee, and chief representative in the U.S.-Soviet talks on strategic weapons, and has a good command of issues concerning defense and national security. In economic affairs, Secretary of Treasury Nicholas F. Brady has been a Wall Street investment banker; Council of Economic Advisers Chairman Michael J. Boskin has been an expert on taxation and social security. His proposal of a "flexible freeze" on spending to cut back the budgetary deficit provided timely help for Bush in his presidential campaign. The Office of Management and Budget Director Richard G. Darman was a key figure in revising the U.S. taxation law, and his colleagues in the Senate have also agreed that Darman "is a good hand."

A Slightly Different Tone

A "fresh breeze" has been keenly felt after the new cabinet took office. Secretary of Defense-designate Tower told the truth to Congress: He and Bush have shared the view that Reagan's Star Wars Project is "unrealistic." Bush does not think very much of the Strategic Defense Initiative project, which has been the apple of Reagan's eye.

Brent Scowcroft has all along contradicted Reagan on such issues as arms control. On several occasions, Scowcroft complained against Reagan for going too far and too fast in arms reduction. When Reagan had just said that the ice between the United States and the USSR had been broken, Scowcroft warned: "The cold war has not yet ended." On several occasions, Bush has also reaffirmed: "We do not have to feel uncomfortable because General Secretary Gorbachev has made a series of very interesting proposals at the United Nations," "examining the goal of our national security policy and foreign policy is a serious matter," we "must be cautious," and "we do not want to take rash actions." These expressions have given much food for thought to the observers of Soviet-U.S. relations.

There have been drizzles from the White House since President Bush was sworn in, with "Reagan's shadow" gradually being washed away. With great power in his hands, Bush has begun to make decisions on his own. Nobody can tell how people are to assess this new President in the next 4 years. Perhaps, people will find that Bush is not "dwarfed" by Reagan after all.

U.S. Spending for Chemical Weapons Criticized
HK2302145089 Beijing RENMIN RIBAO
in Chinese 23 Feb 89 p 3

["International Outlook" column by Zhang Dezhen (1728 1795 4176): "Untimely Move"]

[Text] It has been reported that spending on chemical weapons will increase by a wide margin in the 1990 U.S. defense budget. This includes the huge funds allocated to

develop and manufacture a new generation of chemical weapons such as the "Big Eye" binary gas bomb and the new types of chemical weapons that can "penetrate gas masks." When the current international situation is tending toward detente, this is apparently an untimely move.

As everyone knows, chemical weapons are a kind of savage, large-scale destructive weapon. They have been condemned ever since their development. As early as 1925 relevant countries signed a Geneva protocol on prohibiting the use of chemical weapons in wars. Although the development of nuclear weapons diverted people's attention to the damage caused by such weapons to mankind, they have never at any time relaxed their vigilance against chemical weapons. Calls for the banning of production and use of chemical weapons have run high in recent years. A total of 149 countries took part in the international meeting on banning chemical weapons held in Paris early last month. This shows the concern of the international community over the issue. Apart from reiterating the effectiveness of the 1925 Geneva protocol, the "Final Declaration" adopted by the meeting particularly urged that an international convention be concluded on totally banning the development, production, storage, and use of chemical weapons. As a participant nation, the United States made a commitment to abide by the declaration. People hoped that the two superpowers, who possess the largest number of chemical weapons, and who can do something to ban them, would take the lead and contribute to the conclusion of the convention. However, it has been perplexing that on the one hand the United States favored the banning of chemical weapons at the meeting; and on the other hand, it has further increased spending for producing such weapons. Has the United States not gone back on its word? This act is undoubtedly an obstacle to the conclusion of a convention on totally banning chemical weapons. No wonder a member of the U.S. Congress asked: "Are we guiding the world toward the direction of controlling or expanding chemical weapons?"

The following still remains fresh in our minds: Two months ago, the United States openly condemned Libya under the excuse of a Libyan factory "producing poison gas" and threatened to "take military action" to destroy the factory. All of a sudden, a hubbub arose worldwide. This tells people that the United States has a "dual standard" for producing chemical weapons: It is quite natural for the United States to produce chemical weapons. If others do so, it is a great offense which must be sternly punished.

Why does the United States want to vigorously develop chemical weapons? According to a military official, it is for the purpose of "preventing a nerve gas offensive being launched by the Soviet Union in Europe." In other words, the United States has been forced to do so. This is the same old tune used in the arms race. It will only lead to another escalation. Because of the long-term military confrontation between the two superpowers and

their deep-rooted ideas, it would be rather difficult to eliminate the suspicions and lack of confidence between them within a short period of time.

Chinese American Appointed to Transportation Post

First at Departmental Level

HK2102031489 Beijing ZHONGGUO XINWEN
SHE in Chinese 0745 GMT 18 Feb 89

[Report: "President Bush Will Nominate Chao Hsiao-lan for the Post of Assistant Secretary of Transportation"—ZHONGGUO XINWEN SHE headline]

[Text] Washington, 17 Feb (ZHONGGUO XINWEN SHE)—News from Saint Louis says that today during a visit to Washington University in Saint Louis, capital of Missouri, President Bush announced that he would nominate Federal Maritime Commission Chairman Chao Hsiao-lan for the post of Assistant Secretary of Transportation to succeed Mary Ann Dowson.

Ms Chao Hsiao-lan's ancestral home was in Jiading county of Shanghai. She was born in Taipei in 1955 and followed her father to the United States at the age of eight. In 1975 she graduated from the economics department of (Manholyn) [man he lian 2581 5440 5571] college in New England. In 1977 she received a Master's degree in commercial management from Harvard University and was elected the "most outstanding girl in the United States." In 1983 she was elected a "White House Fellow" and appointed assistant for the Federal Policy Research Office. In 1987 she was appointed deputy director of navigation in the Federal Department of Transportation. In 1988 President Reagan appointed her Chairman of the Federal Maritime Commission, thereby becoming the first Chinese-American holding a position at the departmental level. If her nomination for the post of Assistant Secretary of Transportation is approved by the Senate, she will be the first Chinese-American in U.S. history to formally take up a post at the departmental level in the federal government.

'New Star' in U.S. Politics

HK2102030689 Beijing ZHONGGUO XINWEN
SHE in Chinese 0744 GMT 18 Feb 89

["Profile in the Spotlight": "Chao Hsiao-lan, a New Star on the U.S. Political Arena"—ZHONGGUO XINWEN SHE headline]

[Text] Washington, 17 Feb (ZHONGGUO XINWEN SHE)—Ms Chao Hsiao-lan is now 34. She entered the White House at the age of 29 and was elected a "White House Fellow" in 1983, the first Chinese-American female to win the title.

The "White House Fellow" title was set up by President Johnson in 1964. Feeling that there were too few young officials in the White House, President Johnson suggested selecting young people aged between 28 and 36 with good achievements in work for posts of senior assistants in the government, to find out their talents.

A successful "White House Fellow" candidate has to undergo a 9-month check before assuming office because this academic will be assigned to work beside the President, Vice President, or a secretary. The check includes investigation, tests, and an interview. Not only noted personages in the relevant field but senior government officials are responsible for selecting young people from industrial, commercial, military, scientific, and technological circles for this "White House Fellow" work. Therefore the U.S. Government has to spend considerable money and effort on this.

Before coming to the White House, Chao Hsiao-lan was a senior staff member of Citibank who was in charge of loan services for large enterprises in the country and abroad. Apart from being able to speak fluent Chinese, English, and French, this young, talented Chinese-American can perform her work very properly and efficiently. Several thousand young people were contending for "White House Fellows" in 1983. After a strict check 13 were selected, including Chao Hsiao-lan. Subsequently she came to the White House and began to work as an assistant in the Federal Policy Research Office. Within several years she was promoted to chairman of the Federal Maritime Commission.

At the age of eight she followed her father to the United States, where they settled down. At first she found the taste of "hamburgers" and other Western food disagreeable. A more serious headache to her was the language obstruction. To prevent herself from falling behind others in her class, she had no alternative but to imitate what was written on the blackboard by her teacher. Then she took the imitated words home. She frequently made mistakes even in imitating the English letters. However she finally overcame her difficulties, completed her study, and obtained a Master's degree.

The United States is a sharply competitive society. As Chao Hsiao-lan said, God is fair; he has given you both weak and strong points. We should do our best to display our strong points and courageously take up more responsibilities. We can make achievements in this competitive society as long as we combine American and Chinese strong points.

Northeast Asia

Foreign Minister Qian Qichen in Japan

Meets With Takeshita

HK2402134289 Beijing XINHUA in English
1327 GMT 24 Feb 89

[Text] Tokyo, February 24 (XINHUA)—Japanese Prime Minister Noboru Takeshita today met with Chinese

Foreign Minister Qian Qichen. A get-together originally was not on Takeshita's schedule of meetings with foreign dignitaries attending Emperor Hirohito's funeral today.

Takeshita reassured China of Japan's intention to further develop friendly ties between the two countries, official sources said.

He also said relations between Japan and China should be further developed in the spirit of the joint communique and the friendship treaty the two countries signed a decade ago.

Qian also held talks earlier with his Japanese counterpart, Sosuke Uno, during which Uno, on behalf of Takeshita, said the prime minister felt regret that his remarks in the Diet (Parliament) last Saturday on the nature of Japanese involvement in the Second World War failed to express his true thinking, the sources said.

Takeshita told the the Diet that the question of whether Japan acted as an aggressor during the Sino-Japanese War and World War II should be judged by future historians.

Qian told Uno that the development of Sino-Japanese relations so far has not come easily, and therefore the two countries should be careful about issues concerning the history of bilateral relations.

The foreign minister said future relations can only be developed if both nations have correct views on history, thus avoiding offence to people who had been victims of the war.

Qian and Uno also exchanged views on various international issues, with Uno welcoming the start of the process of normalizing ties between China and Indonesia. Relations between the two were suspended in October 1967.

Spokesman Makes Statement

OW2402024289 Beijing in Japanese to Japan
1430 GMT 24 Feb 89

[Text] A Chinese Foreign Ministry spokesman, urging the Japanese Government to respect historical facts, yesterday issued the following statement:

The war of aggression waged by Japanese militarism brought enormous misfortunes to the people of China and other nations in Asia. No one can distort or deny history based on these misfortunes.

Any statements or actions which attempt to make the nature of the war ambiguous or to avoid responsibility for the war run counter to the provisions and spirit of the China-Japan Joint Statement and the China-Japan Peace and Friendship Treaty, and will, without a doubt, hurt the sentiments of the people of China and other Asian nations who suffered during the war. At the end, such statements will place Japan at a disadvantage.

On such a matter of important principle, the Japanese Government should take an appropriate attitude of respecting historical facts.

Beijing Youths Protest at Embassy

OW2402054789 Tokyo KYODO in English
0456 GMT 24 Feb 89

[Text] Beijing, Feb. 24 KYODO—Three Chinese youths holding anti-Japanese placards demonstrated in front of the Japanese Embassy here Friday morning, the day a state funeral was held in Tokyo for the late Emperor Showa, or Emperor Hirohito.

Several dozen Chinese security personnel who were guarding the embassy removed the three protesters as several Chinese journalists witnessed the scene.

Sixty embassy officials in mourning clothes offered tribute to the late Emperor in front of an altar set up in the embassy building.

An embassy official, apparently embarrassed by Japanese Prime Minister Noboru Takeshita's remark Saturday on World War II, expressed apprehension about how Chinese journalists will report the protest incident.

Chinese, South Korean, and other foreign press criticized Takeshita for his Diet remark which the press said minimized Japan's aggression in the war and was evasive on the part of the prime minister.

JSP Regrets Takeshita Comments

OW2402125389 Beijing XINHUA in English
1636 GMT 23 Feb 89

[Text] Tokyo, February 23 (XINHUA)—A spokesman for the Japanese Socialist Party (JSP) expressed regret in a statement here today over Prime Minister Noboru Takeshita's distortion of Japan's aggression against China, Korea, and other Asian countries during the Second World War.

In his reply to the oppositions' questions in the Japanese Diet on February 14 and 18, Prime Minister Takeshita said that the nature of the war, aggressive or non-aggressive, is a matter for future historians to judge.

According to a report by the KYODO NEWS SERVICE, Director Inoue of the International Affairs Bureau of the JSP said that Japan's aggression against Asian countries, a fact recognized by all internationally, brought immense suffering to people, and that Takeshita's speech was in violation of the Japan-China joint statement issued in 1972.

Director Inoue demanded that Prime Minister Takeshita retract his speech, publicize his understanding of Japan's aggression during the World War II, and apologize to Asian countries.

Southeast Asia & Pacific

Normalization of Relations With Indonesia Slated

Qian Qichen Meets Suharto

HK2402093689 Beijing RENMIN RIBAO
in Chinese 24 Feb 89 p 1

[Report by Yu Qing (0060 7230): "After Talks With President Suharto, Qian Qichen Says the Process of Normalization of Sino-Indonesian Relations Will Begin"]

[Text] Tokyo, 23 Feb—This afternoon, Foreign Minister Qian Qichen held separate talks with Indonesian President Suharto and Indonesian Minister of State Moerdiono in Tokyo's Imperial Hotel. After the talks, Foreign Minister Qian met with reporters and said that the talks indicated the beginning of the process of the normalization of relations between the two countries.

The two sides exchanged opinions on issues concerning bilateral relations and issues of common interest in a friendly atmosphere. After the talks, Foreign Minister Qian and Indonesian Minister of State Moerdiono met jointly with reporters and announced three points of identical opinion on the normalization of relations between China and Indonesia:

First, the two sides agreed that further measures be taken to realize the normalization of relations between the two countries.

Second, relations between the two countries should be built on the basis of the five principles for peaceful coexistence and the ten principles laid down by the Bandung Conference.

Third, the two sides decided to discuss concrete issues concerning the normalization of relations through their representatives in the United Nations and to hold foreign minister meetings if necessary.

At the meeting, Foreign Minister Qian conveyed the cordial regards and best wishes of President Yang Shangkun and Premier Li Peng to President Suharto. President Suharto also asked Foreign Minister Qian Qichen to convey his regards to President Yang Shangkun and other Chinese leaders.

These were the first official talks between the two countries since diplomatic relations were severed on 30 October 1967.

In addition, Foreign Minister Qian also met with West German Foreign Minister Genscher this afternoon.

Agrees To Normalize Indonesian Ties

OW2302160389 Beijing XINHUA in English
1518 GMT 23 Feb 89

[Text] Tokyo, February 23 (XINHUA)—Chinese Foreign Minister Qian Qichen, and Indonesian President Suharto, agreed upon future efforts for normalization of bilateral relations during their meeting here today.

This is the first direct high-ranking contact between China and Indonesia since the two nations severed their diplomatic ties in 1967.

An official accompanying Qian here to attend the state funeral for Emperor Hirohito on Friday, disclosed that the Chinese foreign minister and Indonesian president exchanged views on matters of mutual concern in a "friendly atmosphere."

They agreed that the two countries should make further efforts toward the normalization of bilateral relations, which, they said, should be achieved on the basis of the five principles of peaceful co-existence, the official said.

They also agreed on future regular contacts through their respective envoys to the United Nations, and that meetings between the foreign ministers of the two countries will be arranged when necessary, the official said.

Speaking at a press conference here this afternoon, Qian said his meeting with President Suharto marked the beginning of the normalization process for the relations between China and Indonesia.

Prior to his meeting with President Suharto, Qian also held talks with Indonesian Minister of State and State Secretary Moerdiono, exchanging views on the normalization of bilateral ties, the official said.

Qian Qichen and his party arrived here early this afternoon, while President Suharto and his delegation arrived Wednesday.

1989 Trade Protocol With Philippines Signed

OW2002191389 Beijing XINHUA in English
1328 GMT 20 Feb 89

[Text] Manila, February 20 (XINHUA)—The Philippines and China signed here today the protocol on the importation and exportation of commodities between the two countries for the year 1989.

Under the protocol, China will import from the Philippines fertilizers, coconut oil, bananas, copper concentrates and copper cathodes, while the Philippines will import crude oil, machinery, electrical products, coal, textiles, foodstuffs and other products from China.

The two countries agreed to set a bilateral trade target of 400 million to 450 million U.S. dollars for the year 1989.

West Europe

New Sino-Italian Fighter To Debut Soon
HK2002082189 Beijing CHINA DAILY
(SHANGHAI FOCUS) in English 20 Feb 89 p 3

[By Duan Bai]

[Text] [CD NEWS]—Nanchang—another A-5M attack plane manufactured by the Nanchang Aircraft Manufacturing Company (Namc) in co-operation with Italy is scheduled to take off soon, Zhang Tong, deputy president of Namc, told Shanghai Focus. The first A-5M was successfully flight tested last August.

The plane is a single-seat, supersonic, twin-engine attack aircraft designed for use by the Chinese Air Force of the People's Liberation Army and for export as well, Zhang said.

Equipped with Italian-made radio navigation, firing control, alarm and jamming systems, the plane has a high navigation and attack capability, he said.

The attack plane is a joint product of Namc and the Avionic System and Equipment Group of Aeritalia of Italy. It can carry weapons made in China and in North Atlantic Treaty Organization countries.

Zhang said the plane compares favourably with high-performance jet attack planes developed in other countries.

Original A-5 planes, developed in the 1960s, were supplied to China's Air Force in the early 1970s. They are the force's major attack planes designed to hit airports, tanks, warships and other military targets with their rockets, guns and bombs.

The new plane can hang air-to-ground and air-to-air missiles.

The Jiangxi company is also developing the L-8, a new military trainer plane, in a joint venture launched with another foreign country. The trainer plane is expected to take to the air this year and will also be available for export, Zhang disclosed.

Apart from aircraft manufacturing, Namc has also been developing various missiles for years. The FL-2 missile developed at the company was displayed at an air fair in Britain in 1987.

The anti-ship missile can fly at wave-top level with near-sonic speed and can be used to destroy large and medium-sized warships. It is self-controlled in flight and free from electronic interference.

Namc is one of China's major aircraft manufacturers.

PLA Officer Meets British Visitors
OW2402141089 Beijing XINHUA in English
1207 GMT 24 Feb 89

[Text] Beijing, February 24 (XINHUA)—He Qizong, deputy chief of the General Staff of the Chinese People's Liberation Army (PLA), gave a banquet here this evening in honor of the visiting British deputy chief of defense staff (system), Vice-Admiral Jeremy Black, and his party.

The British visitors arrived here Thursday as guests of the PLA's headquarters of the General Staff.

PLA Chief Meets British Naval Chief
OW1702012489 Beijing XINHUA in English
0750 GMT 16 Feb 89

[Text] Beijing, February 16 (XINHUA)—General Chi Haotian, chief of general staff of the Chinese People's Liberation Army, met with Admiral Sir William Staveley, British chief of naval staff and first sea lord, here today.

They agreed that the naval forces of the two countries should have more contacts and share each other's experience.

Chi expressed the conviction that Staveley's current visit, like the previous exchanges between top military leaders of the two countries, would contribute to the deepening of mutual understanding and friendship between the armed forces of the two countries.

They also exchanged views on the current international situation.

Staveley and his party, who toured the coastal city of Tianjin yesterday, are scheduled to leave Beijing to see a number of naval establishments in eastern and southern China.

Trade Cooperation With EEC Grows
HK2202020889 Beijing ZHONGGUO XINWEN
SHE in Chinese 0707 GMT 16 Feb 89

[Report: "EEC Strengthens Trade Cooperation With China"]

[Text] Paris, 15 Feb (ZHONGGUO XINWEN SHE)—To further consolidate its trading partner status with China, EEC has set the new goal of increasing bilateral annual trade amount from the present \$12 billion to \$20 billion.

This is revealed here by the January edition of the newly published ZHONGGUO KUAIBAO [CHINA BULLETIN].

EEC established official relations with China in 1975. Then organizations like the European Coal and Steel

Community and European Atomic Energy Community followed suit. According to reports, last year the total bilateral trade amounted to \$12 billion, 400 percent higher than 10 years ago. In the present Chinese foreign trading partners, EEC occupies the third position, following closely behind Hong Kong and Japan.

Reports say at present Chinese-EEC bilateral trade has gone beyond the traditional commercial scope and entered into multi-form economic and trade cooperation such as technological transfers, joint ventures and cooperative production and sales. The bilateral scientific and technological cooperation starting in 1980 has also developed quickly in recent years, involving realms like energy, materials, atomic fission, biological genetics, astronomy, geology, medical science, protection of cultural relics and prevention of natural disasters and so on. EEC countries occupy about half of the technological transfer contracts China has signed with foreign countries.

The article, titled "Economic Cooperation Between China and EEC," revealed that to help China develop its agriculture, the EEC has decided from this year to offer China 6 to 9 million E.C.U. (European Currency Unit) financial and economic aid. In the past 5 years the EEC has provided China 30 million E.C.U. economic and technical aid, involving over 10 cooperative items.

To develop trade interflow with China, each of the member countries of the EEC employs various ingenious means, competing fiercely with each other. In mid-January the French media cheered the winning by the joint effort of French International Electric Corporation and General Electric Corporation of a 1.2 billion Franc-worth of cooperative contract on the Chinese Guangdong Power Equipment United Corporation from the hands of the financial concern of Federal Germany and other countries. Last year Federal Germany seized from France the building contract for the Shanghai underground railway. This time the French had a chance of venting their grudges.

Famous French entrepreneur and chairman of the French-Chinese Committee, F. D. Weierpan [4850 1422 3382] the other day took the Committee's 10th anniversary occasion to give a speech at a press conference titled "French are undertaking the Long March of Trade in China," reminding French entrepreneurs to "recognize that we are conducting two-way trade with China in a fully competitive atmosphere." He revealed: The business focus of the committee from now on is to establish business relationships directly with various Chinese provinces and cities and increase setting up offices in various localities in an attempt to develop Chinese-French economic and trade interflow.

Austrian Bank Helps Agricultural Bank
*HK2002041289 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST) in English
20 Feb 89 p 1*

[By Eva To]

[Text] The agricultural banks of Austria and China are teaming up to help each other in international expansion.

According to Herbert Stepic, a board member of Genossenschaftliche Zentralbank AG (GZB), his bank is expected to advise the Agricultural Bank of China (ABC) on how to expand internationally under co-operation agreements reached between them.

On the other hand, the strong funding base and the extensive presence of ABC in China could help GZB to expand in this part of the world, he said.

As GZB is particularly strong in counter-trade and deals extensively with Eastern Bloc countries, Mr Stepic said he expected the two banks to work closely together to promote trade between China and the Eastern Bloc, including the Soviet Union.

Both China and the Soviet Union have opened up their markets in recent years and Mr Stepic believed trade between them could grow rapidly.

Trade between the two communist giants had so far been settled mainly in non-convertible currencies. But hard currency settlements could pick up as the two countries borrowed more from the international markets, Mr Stepic said.

In the first steps of that strategic co-operation, the two banking groups are settling up a joint-venture bank in Xiamen in Fujian Province. The joint bank will be the first institution of its kind with the right to branch out in China as well as globally.

According to Mr Stepic, the People's Bank of China, the country's central bank, has already approved the venture which is expected to start operations early next year.

The International Finance Corp, a World Bank affiliate; Yasuda Trust and Banking Co. of Japan; DBS Bank of Singapore; and two other European banks are also expected to take part in the joint venture.

As a strategic decision to take advantage of the robust financial developments in Hong Kong, the partners have also decided to open the joint venture's first branch in the territory, said Mr Stepic.

The joint venture will be geared towards corporate activities, international money transfers and fund raising from the international capital market.

GZB started as an agricultural bank more than a century ago and is now a fully-fledged commercial bank with a quarter of Austria's deposit base.

Mr Stepic said GZB provided 75 percent of Austria's total agricultural funding needs, but that accounted for 12 percent of the bank's total loan portfolio.

He said GZB would advise the Agricultural Bank of China to take on a similar diversification plan, both domestically and internationally.

In the domestic market, Mr Stepic said ABC should move out of its agricultural base to finance the other industrial sectors, thus spreading risks and broadening its source of profits.

The bank was also expected to step up its activities on the international front.

Previously, the Chinese bank was not allowed to provide financing outside the agricultural sector until a few years ago when Beijing began to deregulate its financial markets.

According to GZB's chief representative in Asia, Erwin Hardy, the first formal co-operation between the two banks actually started eight years ago.

Apart from business co-operation, GZB had also provided a series of seminars for the Chinese side in foreign exchange, loans and international banking.

Austrian Science Minister Meets With Officials

Meets Song Jian

*OW2002033089 Beijing XINHUA in English
0156 GMT 20 Feb 89*

[Text] Beijing, February 20 (XINHUA)—Song Jian, Chinese state councillor and minister in charge of the State Science and Technology Commission, met here today with Prof Hans Tuppy, minister for scientific research of Austria, and his party.

They exchanged views on strengthening scientific and technological cooperation between the two countries.

The Austrian guests came to China last Wednesday at the invitation of the State Education Commission.

Talks With Li Tieying

*OW1802112889 Beijing XINHUA in English
0907 GMT 18 Feb 89*

[Text] Beijing, February 18 (XINHUA)—Li Tieying, state councillor and minister in charge of the State Education Commission, met here today with Prof Hans Tuppy, minister for scientific research of Austria.

They discussed cooperation in scientific researches between high-learning institutions of the two countries.

Tuppy and his party arrived here February 15 at the invitation of the State Education Commission.

Political & Social

XINHUA Urged To Publish Amnesty Call
HK2402082489 Hong Kong MING PAO in Chinese
24 Feb 89 p 8

["Special dispatch" from Beijing: "Bei Dao and Chen Jun Urge XINHUA NEWS AGENCY To Publish Petition Calling for Release of Political Prisoners; Announce Establishment of '1989 Amnesty Work Group'"]

[Text] Bei Dao and Chen Jun, the two cosponsors of the open letter signed by 33 well-known intellectuals in Beijing, held a news conference yesterday morning to comment on the XINHUA report of the criticism made by China's Ministry of Justice with regard to the ongoing signature drive. Both Bei Dao and Chen Jun made statements at the news conference. Bei Dao said that as XINHUA NEWS AGENCY has filed a report on the remarks made by the responsible person of China's Ministry of Justice, the agency should also publish the text of the open letter signed by 33 well-known Chinese intellectuals and the open letter personally written by Prof Fang Lizhi; publishing the two open letters will enable people to learn the true facts of the matter.

Bei Dao pointed out that 33 well-known Chinese intellectuals had written an open letter, on humanitarian grounds, to the NPC Standing Committee and the CPC Central Committee, hoping that the authorities will grant an amnesty on the 40th anniversary of the founding of the PRC and the 70th anniversary of the 4 May Movement. Granting amnesty falls within the jurisdiction of the NPC Standing Committee and is not directly related to the Ministry of Justice.

Bei Dao said: "China has, in the past, at present, and in the future will continue to have many 'unjust, false, and wrong cases.' And many of these 'unjust, false, and wrong cases' can only be redressed by virtue of public opinion, the news media, and through various other channels."

Bei Dao said that he himself is one of the principal sponsors of the open letter signed by 33 intellectuals. The authorities have made a great fuss about Chen Jun, who is one of the signatories of the letter. This fuss will achieve nothing at all.

Bei Dao pointed out that putting one's signature to an open letter signed by many others only means that one shares the same view as other signatories on a certain question. It is quite obvious that each and every signatory will only be responsible for the open letter he or she has signed.

At the news conference, Bei Dao expressed doubt over the statement made by the responsible person of China's Ministry of Justice, who maintained that Wei Jingsheng was tried and sentenced fairly in accordance with the law, by the judicial department which had acted independently. Bei Dao pointed out that Wei Jingsheng was

tried only half openly. During the entire course his family and friends were barred from entering the court; the trial was reported only by the official media. Moreover, the trials of many other activists in the Democratic Movement were not conducted publicly. This is a serious violation of the law.

Bei Dao pointed out that Liu Qing, who is now in prison, was arrested for collecting, collating, and publishing a record of Wei Jingsheng's trial.

Forty-year-old Bei Dao is a poet whose original name was Zhao Zhenkai. Bei Dao was the chief compiler of "JIN TIAN" ["TODAY"], a publication of the Democratic Movement. "JIN TIAN" once revealed the records of the secret trial of Wei Jingsheng.

Bei Dao said that the open letter signed by 33 well-known Chinese intellectuals was mailed by both surface mail and registered mail last week. The open letter was mailed simultaneously to all the major newspapers and news agencies in China. However, a report filed by the XINHUA NEWS AGENCY the day before yesterday, said that XINHUA reporters learned from foreign newspapers and foreign news agencies about the on-going signature drive in Beijing and therefore had an interview with the responsible person of China's Ministry of Justice. Bei Dao said that this shows China lacks freedom of the press!

When delivering his statement, Chen Jun said that the criticism made by the official of China's Ministry of Justice did not tally with facts, and only caused the confused public opinion. Chen Jun pointed out that their demand for amnesty has nothing to do with judicial independence. Since the open letter was addressed to the NPC Standing Committee, which is the supreme state organ in China, it is the NPC Standing Committee that should give an authoritative reply to the open letter. Chen Jun said that when launching the signature drive, they did not try to "create public opinion." As a matter of fact, the trial of the Case of Wei Jingsheng has long been concluded so there is no question of affecting judicial independence. "From this, people can clearly see who lacks legal concepts!"

Chen Jun admitted that he did write articles for "ZHONGGUO ZHICHUN" ["CHINA SPRING"] 3 years ago. Chen Jun reiterated that he has never joined any political organizations. When commenting on the accusation that he is trying to form a "pressure group" vis-a-vis the Chinese Government, Chen Jun said that the existence of a "pressure group" is actually beneficial to the government so long as it is not an antagonistic organization.

Chen Jun also announced at the news conference, the establishment of the "1989 Amnesty Work Group," which will look closely into the case of Wei Jingsheng, including the relevant material concerning the case and

his present situation. Chen Jun hoped that the government departments concerned will cooperate with the "1989 Amnesty Work Group" in this regard.

Fang Lizhi on Official's Remarks

HK2402041389 Hong Kong MING PAO in Chinese
24 Feb 89 p 8

["Special dispatch" from Beijing: "Fang Lizhi on Remarks by Official of Ministry of Justice"]

[Text] When answering questions raised by MING PAO reporters, Prof Fang Lizhi said that the XINHUA report on the remarks made by the responsible person of China's Ministry of Justice will no doubt draw more attention to the ongoing signature drive in China.

Last month, Prof Fang Lizhi personally wrote a letter to Deng Xiaoping, demanding the release of Wei Jingsheng and other political prisoners in China. Last week, some 33 well-known intellectuals in Beijing jointly wrote an open letter to support the demand raised by Prof Fang Lizhi.

Prof Fang Lizhi said that Chinese intellectuals have the right to express their views and to exert pressure on the authorities, which is a normal social phenomenon that conforms with China's Constitution.

In point of fact, the ongoing signature drive has only demanded amnesty and has not touched upon any judicial questions. Therefore, the remarks made by the official of China's Ministry of Justice, which were reported by XINHUA, are obviously illogical.

China's Constitution stipulates that NPC Standing Committee members have the right to decide on amnesty and that the Chinese president has the right to issue an amnesty order. That 33 intellectuals have jointly written a letter to the NPC Standing Committee to demand an amnesty is therefore quite normal and reasonable.

Prof Fang Lizhi held that the people arrested in incidents such as the "Beijing Spring" and the "Xidan Democracy Wall" and in the "Li Yizhe" case are obviously ideological and political prisoners. Thereby, the authorities should not say that China has no political prisoners.

Prof Fang Lizhi believed that the criticism made by the authorities with regard to the signature drive is aimed at preventing the influence of the signature drive from spreading, because the signature drive has already had a great influence abroad. The overseas reaction to the signature drive will soon reach China. Originally, not many people in China knew about the ongoing signature drive. However, since XINHUA reported the remarks made by the responsible person of China's Ministry of Justice, more and more people are paying attention to

the ongoing signature drive in China. Therefore, the actual result of the authorities' criticism of the signature drive might be contrary to the original wishes of the authorities.

When asked whether the authorities will take action to suppress the ongoing signature drive, Prof Fang Lizhi said that it would be most unreasonable if the authorities decided to take any action to suppress the signature drive, for the ongoing signature drive has not contravened any Chinese laws or regulations. When asked about his views on the "Amnesty 89 Working Group" formed by Chen Jun, Prof Fang Lizhi said that any method that conforms with the law will prove useful.

Prof Fang Lizhi also said that he will do his best to call on Chinese scientists to support the ongoing signature drive, which demands the release of Wei Jingsheng and other political prisoners in China.

Prof Fang Lizhi also hoped that at the NPC meeting to be held next week, some deputies will put forward a motion calling for discussions on this question through legal procedures.

Editorial on Faith in Marxism Reported

HK2402090289 Hong Kong AFP in English
0849 GMT 24 Feb 89

[Text] Beijing, Feb 24 (AFP)—China must stand firmly by its Marxist principles and authorizing a multi-party system is out of the question, the official newspaper ECONOMIC INFORMATION said in an editorial Friday [24 February].

"The party's position in power, the Chinese Communist Party, and the party's supremacy will not change. Communism, which is an objective that our party members are striving to achieve, will not change," the newspaper said.

"The socialist system in our country will not change. The preponderance of public ownership will not change.

"We will remain faithful to the principles and ideas of Marxism," the newspaper said in the front page editorial.

"We must firmly stand by these great principles and we must not waver," otherwise China would be thrown into confusion, it added.

The comments in the normally more reformist newspaper suggest a stiffening of ideological beliefs at a time when several other socialist countries like Hungary and Poland are gradually moving for the first time in decades towards allowing a multi-party system, observers said.

CPPCC National Committee Session Opens 19 Mar
OW2402101589 Beijing XINHUA in English
0630 GMT 24 Feb 89

[Text] Beijing February 24 (XINHUA)—The second session of the Seventh National Committee of the Chinese People's Political Consultative Conference (CPPCC) is to open on March 19 and will last about ten days.

This was announced by Lu Zhichao, spokesman of the CPPCC National Committee, here today.

Article Criticizes Neo-Authoritarianism Advocates
HK2302022789 Shanghai SHIJIE JINGJI
DAOBAO in Chinese 6 Feb 89 p 14

[Article by Yu Haocheng (0060 3185 2052): "Does China Need Neo-Authoritarianism?"]

[Text] *Neo-authoritarians see their theory as a new one, but in fact their theory is only a hackneyed and stereotyped idea that rule should be left to a holy emperor and an able chancellor. It is the articulation of the thinking and needs of small-holding peasants living in a state of natural economy.*

The proposition that without socialism there will be no democracy has seldom been heard recently, while there has appeared recently a theme called "neo-authoritarianism." This deserves special attention.

This stream of thought considers that modernization in our country does not need to advance at the same time as democratization. The particular need today is to establish centralized authority. There must be a wise, sagacious, and ironhanded leader wielding totalitarian power who will lead us to effect modernization. In particular, these neo-authoritarians cite the example of Asia's four small dragons, maintaining that the basic political systems of South Korea, Singapore, Taiwan, and Hong Kong are all totalitarian, with no democracy to speak of, and that their economies have all grown very fast.

This kind of argument is farfetched and arbitrary. For one thing, Asia's four small dragons are free, export-oriented economies strongly conditioned by the international market. Regulatory functions over the economies of the local governments are minimal. Now, how can this be compared with the Chinese economy, whose main features are product economy and being under strong, tightly knit political control?

The exponents of neo-authoritarianism also cite modern European history as an example, stating that there was a "honeymoon period between authoritarianism and liberalism" in modern European history. However, can we draw a simple analogy and comparison between historical conditions in Europe and those in China? It is clear that there were vast differences between European feudalism and that of China. Europe had the feudal manorial system. Europe in the Middle Ages was split into

many small dukedoms and principalities. As the bourgeois democratic revolution began, the rising bourgeoisie supported sovereignty, emperors, and kings to achieve national unification in an attempt to develop commodity economy, break the feudal walls of the various small states, and create conditions for developing commodity economy. Perhaps this is what the neo-authoritarians call the "honeymoon period between authoritarianism and liberalism." There was a similar situation in Japan.

But in China the situation was vastly different. The feudalism that once existed in Chinese history was not based on the manorial system. After Qinshihuang unified China by conquering the six warring states, China was a centralized, totalitarian, and feudalistic country. Until and including the Empress Dowager Cixi and Yuan Shikai after 1911, all rulers were totalitarian rulers. They did not allow any freedom for the development of a commodity economy. There was absolutely nothing that resembled "a honeymoon period between authoritarianism and liberalism." To develop commodity economy, a democratic style of government must be built up, and for economic structural reform to achieve success, there must be a parallel or even pioneering political reform. This much is proved by the historical experience of our country and of others. Although described by neo-authoritarians as a new theory, neo-authoritarianism is in fact nothing but a hackneyed and stereotyped expression of the needs and thinking of small-holding peasants living in a state of natural economy.

Marx's "The Eighteenth Brumaire of Louis Bonaparte" contains a brilliant exposition on this situation: "The small-holding peasants form a vast mass, the members of which live in similar conditions but without entering into manifold relations with one another. Their mode of production isolates them from one another instead of bringing them into mutual intercourse.... In this way, the great mass of the French nation is formed by simple addition of homologous magnitude, much as potatoes in a sack form a sack of potatoes.... They are consequently incapable of enforcing their class interests in their own name, whether through a parliament or through a convention. They cannot represent themselves, they must be represented. Their representative must at the same time appear as their master, as an authority over them, as an unlimited governmental power that protects them against the other classes and sends them rain and sunshine from above. The political influence of the small-holding peasants, therefore, finds its final expression in the executive power subordinating society to itself." ("Selected Works of Marx and Engels," Volume 1, page 693) Having read what Marx says, things could not be clearer. The more than 2,000 years of feudal society is nothing but a society subordinated to executive power. The feudal emperor is an authority standing high above the great mass, representing unlimited governmental power. Why bother about neo-authoritarianism? We might as well retreat straight into feudalism.

As the influence of feudalism in our country is still strong, it is natural that there exists neo-authoritarianism. Did not "New Star," a novel depicting reform, characterize the reformist Li Xiangnan as a savior?

Yang Shangkun Promulgates Contagious Disease Law
OW2302201189 Beijing XINHUA Domestic Service
in Chinese 1226 GMT 22 Feb 89

["Local Broadcast News Service"]

[Text] Beijing, 22 Feb (XINHUA)—Chinese President Yang Shangkun on 21 February signed Presidential Decree No 15, promulgating the "Law on the Prevention and Control of Contagious Diseases in the PRC," which was adopted by the Sixth Session of the Seventh NPC Standing Committee. XINHUA NEWS AGENCY will transmit the text of the law today.

The Law on the Prevention and Control of Contagious Diseases, which will take effect on 1 September this year, contains 7 chapters and 21 articles. It has provisions regarding the types of contagious diseases, measures for prevention and control, the reporting and making public of an epidemic situation, the control of an epidemic, the supervision of the prevention and control work, and the legal ramifications of violating this law.

The law stipulates: The state shall implement a policy of relying primarily on prevention in dealing with contagious diseases. It shall combine prevention with control and shall divide the contagious diseases into different categories and manage their prevention and control accordingly. All units and individuals within the territory of the PRC are subject to inquiry, examination, and investigation regarding contagious diseases by medical and health agencies and disease prevention offices and are subject to the prevention and control measures taken by them. These agencies and offices also have the right to report and file charges against people who violate this law.

The law divides contagious diseases into three categories: A, B, and C. It stipulates that government health administrative agencies at various levels must exercise unified supervision and management of the work of the prevention and control of contagious diseases.

The law stipulates that whoever knows or suspects that a person is suffering from a contagious disease shall promptly report such information to the nearby medical and health agency or disease prevention office.

The law also stipulates that the health administrative agency under the State Council shall promptly and truthfully report and make public an epidemic situation and that it may authorize provincial, autonomous regional, and municipal government health administrative agencies to report and make public an epidemic situation in their respective administrative district.

According to the law, if a contagious disease becomes an epidemic, the local government shall immediately mobilize forces to control and contain it. If necessary, it may request the approval of the local government at the higher level to restrict or stop country fairs, meetings, theatrical performances, and other activities involving a large number of people; to close factories, shops, and schools; to temporarily requisition houses and means of transportation; and to quarantine contaminated public water sources.

Yang Shangkun Signs Commodity Inspection Decree
OW2302200889 Beijing XINHUA Domestic Service
in Chinese 1236 GMT 22 Feb 89

["Local Broadcast News Service"]

[Text] Beijing, 22 Feb (XINHUA)—PRC President Yang Shangkun on 21 February signed Presidential Decree No 14 to promulgate the "Law on the Inspection of Import and Export Commodities of the People's Republic of China" adopted by the Sixth Session of the Seventh NPC Standing Committee. XINHUA NEWS AGENCY transmits the full text of the presidential decree and the law today.

The Law on the Inspection of Import and Export Commodities, which will take effect on 1 August this year, contains 6 chapters and 32 articles, including the General Principles, Inspection of Import Commodities, Inspection of Export Commodities, Supervision and Management, Legal Responsibilities, and Supplementary Provisions.

The Commodity Inspection Law stipulates: Those who market or use import commodities without going through commodity inspection procedures; those who export commodities whose quality is not certified through commodity inspection procedures; and those who forge or alter commodity inspection certificates, seals, symbols, imprints, or signs of quality recognition shall be fined or charged with criminal responsibility according to the severity of their offenses. Work personnel of state commodity inspection departments and agencies, as well as inspectors of inspecting offices designated by state commodity inspection departments and agencies, shall be subjected to administrative disciplinary action or charged with criminal responsibility according to the severity of their offenses if they are found to have abused powers, engaged in fraudulent practices for selfish purposes, forged results of inspection, or delayed the issuance of inspection certificates due to dereliction of duty.

Youth League Issues Circular on 4 May Movement
OW2202091889 Beijing XINHUA in English
1511 GMT 21 Feb 89

[Text] Beijing, February 21 (XINHUA)—The Central Committee of the Chinese Communist Youth League has just issued a circular concerning the commemoration of the "May 4 Movement".

On May 4, 1919, Beijing, students held a demonstration in front of Tiananmen, in the center of the city, to oppose imperialist aggression against China and the betrayal of the country's interests by the warlord government. The result was an anti-imperialist and anti-feudal patriotic movement which swept the country.

The central theme for this year's 70th anniversary of the movement is patriotism, reform, pioneering work and striving for the future and this theme has been approved by the Secretariat of the Chinese Communist Party Central Committee, the circular said.

To commemorate the movement, the circular calls for all youth organizations throughout the country to don the mantle of the revolutionary and patriotic tradition, and pursue the democratic and scientific spirit so as to unite the youth of all nationalities in socialist construction with Chinese characteristics.

The patriotic spirit of the "May 4 Movement" should be reflected in the enthusiasm of the young people who love socialist modernization and in the encouragement of the young people to shoulder the heavy task of realizing modernization and reform, it said.

The Youth League organization at various levels should lead young people to correctly understand and adopt the scientific and democratic spirit of the "May 4 Movement" and to further carry out the party's ideological line of "emancipating the mind and seeking truth from facts", it said.

The circular urged that the commemoration should be linked to the present efforts to improve the economic environment and rectify the economic order. This should help young people to begin to understand the difficulty and complexity of reform.

It said local Youth League organizations could hold various activities such as lectures, dialogues or seminars and other recreational activities to make the occasion educational as well as celebratory.

International Labor Movement Viewed
HK2302123589 Beijing GONGREN RIBAO in Chinese
2 Feb 88 p 2

[Article by Fang Jiade (2455 0857 1795), member of the Secretariat of the All-China Federation of Trade Unions: "The Development Tendency of the Contemporary International Labor Movement"]

[Text] The Political Bureau of the CPC Central Committee pointed out recently: "At present, the international situation is undergoing some major changes. The world is shifting from confrontation to dialogue and from tension to détente. It is likely that a new period that is favorable to the maintenance of world peace and the promotion of development will appear. ... We should continue to adhere to the policy of opening up to the outside world and place

international economic and technological cooperation in a more important position in our foreign work." This is a scientific and realistic analysis in keeping with the actual international situation, and is of great significance for guiding our domestic and foreign work and our trade union's foreign liaison work.

Corresponding to the development of the international situation, many new conditions and new issues have also appeared in the international labor movement and trade union movement. The old mode of trade unions has encountered some major shocks, and the trade unions are forced to make a series of new selections. The current situation in the development of the international labor movement can be summarized into two points. First, a worldwide reform trend has appeared in various trade unions, and the international labor movement is making advances through exploration and reform. Second, a tendency of "dialogue and unification" has appeared between international trade unions and inside the trade unions in various countries, and trade unions are becoming more and more independent. This situation of the international labor movement is reflected mainly in the following six aspects:

First, the Trade Unions Are Now Serving All Members of the Working Class, and Are Expanding Their Social Functions Continuously

The emergence of the new technological revolution has brought about the adjustment of the industrial structure in Western countries, and has also obviously changed the structure of the working class. The proportion of technicians, managerial personnel, and workers in the tertiary industry in the working class has increased by a big margin. The proportion of white-collar workers is increasing, while the proportion of blue-collar workers is decreasing. In view of this new situation, Western trade unions have taken measures for consolidating their organizations and expanding the mass foundation for the trade unions by expanding the beneficiaries of their services from workers in the traditional manufacturing industries to all members of the working class.

Western trade unions have also begun to pay attention to the needs of unemployed and retired workers, part-time workers, seasonal workers, and immigrant workers. They are striving to win social security welfare for all workers, including unemployed and retired workers, and they offer retraining services for unemployed workers so as to help them find jobs in some new trades. The European Federation of Trade Unions takes this as a major strategic measure in the work of the trade unions. Such practice has added new vigor to the shrinking trade unions in the West, and has enabled the trade unions to play a role in the political, economic, and social fields. This also provides an organizational guarantee for the trade unions. As the trade unions expand the scope of beneficiaries of their services, they are also diversifying their social functions and play a role in various fields,

including safeguarding workers' rights and interests, offering education, organizing participation, providing entertainment, and promoting development.

In some socialist countries, along with the modernization process, the working class is continuously growing in size, and intellectuals have become a major component part of the working class and a major category in the membership of trade unions. In China, intellectuals account for a rather large proportion of the 90 million trade union members. In recent years, as rural industry in China has been developing rapidly, a new force has also been added to the Chinese working class. The development of enterprises involving foreign investment and private enterprises in China also poses a new subject for the trade unions to handle. All this requires us to attach great importance to and greatly strengthen trade union work.

Second, Trade Unions in All Parts of the World Offer More Direct Services to Their Members

In recent years, trade unions in many countries have stressed the necessity of offering direct services to their members. For example, they run large-scale welfare undertakings, trade union banks, service companies, and even nurseries for their members, organize holiday activities and mutual assistance in daily lives, and offer legal assistance and legal consulting services. All kinds of activities and business operations directly serve the trade union members.

As there is always a large number of unemployed workers in Western countries, trade unions there have also made great efforts to develop training projects to help unemployed workers learn new skills and acquire a new knowledge so that they can get new jobs. Trade unions in various Asian, African, and Latin American countries have also established all kinds of vocational schools and offered various training courses. On the one hand, this can raise some funds for the trade unions so as to give financial help to some workers; on the other hand, this can also build a closer relationship between the trade unions and their members so as to increase the rallying force of the trade unions.

Third, Workers Participate in Enterprise Management, and Trade Unions Participate in the Formulation of Relevant Economic and Social Policies of the State

In socialist countries, the workers' participation in enterprise management embodies the master position of the workers and is in line with the requirements of socialized mass production. This is also a major means of safeguarding workers' interests, cultivating a sense of belonging among the workers, and mobilizing their work enthusiasm. The participation of trade unions as representatives of the workers in the legislative process and policy formulation process of the state is an important part of socialist democratic politics. This will build closer ties between the

party-government and the masses, will ensure the democratic and scientific nature of the decisionmaking process, and will improve the image of the party and the state in the masses.

In the Soviet Union and the East European countries, trade unions can participate in the state's handling of political, economic, and social affairs through their participation in some special organs in enterprises and governments. In Hungary, there are "enterprise committees;" in Bulgaria, there are "economic committees." In the Soviet Union, trade unions form one of the main bodies according to administration law in participating in the state administration activities. These countries have also adopted enterprise law and labor law, thus trade unions can exercise their political participation right according to the laws.

In Western capitalist countries, the traditional form of struggle used by trade unions was collective bargaining and strikes. In recent years, the application of new technologies and low-speed economic growth caused the unemployment of a large number of workers, and this also brought great pressure to bear on workers who still held jobs. At the same time, trade unions came to realize that strikes would not only cause losses to the management and enterprise owners, but would also cause losses to the entire nation and the workers themselves. Therefore, trade unions adopted more flexible forms in their struggle. Confrontation and boycott were replaced with dialogue and participation. Strikes were not taken as a main means of struggle. They more frequently adopted such nonantagonistic means of struggle as negotiations and collective bargaining. Through the labor-management joint consultation organs in the enterprises and some "joint decisionmaking mechanisms," the trade unions could play a role through participation in coordinating labor-management relations. At the higher level, through certain joint councils composed of representatives of labor, the management, and the government, trade unions could express their opinions on the state's social and economic policies and exert their influence on the making of policies.

In developing countries, trade unions also put forward such slogans as "workers participate in management," "workers participate in leadership," and "without participation, there will be no development." Trade unions in Asian, African, and Latin American countries generally adopted measures for promoting the participation of workers and trade unions. The participation of trade unions has been taken as a major means and target for safeguarding the interests of the workers, and has achieved increasingly marked results.

Fourth, Trade Union Reforms Are Being Quickened

More and more trade unions in the world have come to realize that the current socioeconomic changes and industrial structural changes pose a challenge to the trade union movement, and they must reform themselves in order to maintain their existence and seek development.

In socialist countries, trade unions are mainly exploring the way to build themselves into independent, trustworthy, and fully democratic mass organizations of the working class under the leadership of the Communist Party and sociopolitical organizations that can play a major role in the state and social life, thus fulfilling the historic change from the trade union work under the conditions of a product economy to the trade union work under the new conditions of a socialist commodity economy. In Western capitalist countries, trade unions are mainly exploring the way to adapt themselves to the changes in the economic structure, the industrial structure, and the working class structure brought about by technological progress. The focus of their work has been shifted to guaranteeing employment, shortening work hours, striving for an earlier retirement age and higher unemployment allowances and pensions. They not only pay attention to economic issues, but also pay attention to a series of major social issues, such as peace, ecological environment, women, and aged people. In developing countries, trade unions pay attention to the development of their national economies and make efforts to improve the living and working conditions of workers and to solve such problems as unemployment, debt, and famine. They also strive to win democratic rights for workers and make contributions to the advance of the democratic process. Now, this is also taken as a major part of trade unions' work.

In many countries, trade unions have set up all kinds of theoretical research organs so as to strengthen the studies of political and economic theory, law, and theory about the labor movement. They also attach great importance to the training of union cadres and try to enhance their quality. Union cadres are required to acquire economic, legal, and political knowledge and to become competent and efficient social activists. Thus trade union administration can be streamlined on this basis.

Trade union reforms in various countries also include the renewal of concepts, readjustment of organizational forms and work methods, reestablishment of work targets, and the exploration of the real social value of the trade union movement in the new period.

Fifth, International Trade Union Dialogue and Cooperation Are Increasing, and "Peace, Development, and Maintenance" Has Become the Common Subject Cared for by Trade Unions

International trade union dialogue and cooperation is also a demonstration of the relaxed East-West relationship, and it is a requirement in the current stage of the international division of labor and the integration of the world economy. Many trade unions, which remained antagonistic for a long time, in different countries have begun their dialogue and cooperation. Trade unions in East Europe and their counterparts in West Europe have removed the barriers between them and have frequently exchanged visits. This June [as published], Ernst Breit, chairman of the trade union federation of the FRG,

realized his plan to visit Hungary; and the chairman of the Hungarian trade union, also visited the United States. Relations between the three major international labor organizations, which were hostile to each other for a long time, have also begun to thaw. In recent years, trade unions in various countries, especially those in Third World countries, have been carrying out close cooperation on the subject of "peace, development, and maintenance." Regional cooperation in Africa, Latin America, and the Middle East has also been increased and strengthened. Trade unions in Latin American countries held an international work conference on the issue of "debt and development" in Argentina to specially study and solve the issue concerning the huge foreign debt and the development of their national economies.

Sixth, a Unified and Independent Tendency Has Appeared in Trade Unions in the Same Countries

In order to adapt themselves to the developing situation, to bring the role of trade unions into play in the political, economic, and social fields, and to strengthen their social status, trade unions in many countries have taken action to remove the barriers between them and to strengthen their ties. In Japan, trade unions organized an "all-people labor league" last year. In Britain, the scientific, technological, and management association and the trade union of managerial, technical, and supervisory personnel announced their merger in January this year. [as published] In Latin America, trade unions in Argentina, Uruguay, and Suriname have realized their respective domestic combination and unification; and a trade union consultative organization—the Workers' Unification Process Organ—has been set up in Ecuador. The trade unions in Italy and Belgium were originally divided into five major trade union organizations separately affiliated to the Christian Socialist Party, the Catholic Democratic Party, the Socialist Party, and the Communist Party, but now they have adopted basically identical or similar strategies and policies toward the labor movement. In 1985, more than 30 black workers' trade unions in South Africa were unified and formed the largest trade union in the history of this country—the Trade Union Congress of South Africa. After the combination, trade unions removed their major differences and stressed the independent position of the trade unions, thus playing a more obvious role in domestic and international affairs.

Under the new situation, we should carry out firmly the foreign policy of the party and the state, make unremitting and painstaking efforts to adapt our work targets, tasks, and methods to the change in the "main subjects" and to keep pace with the development of the times so as to do a better job in the foreign liaison aspect of the trade unions and in our self-reform and self-construction.

Deng Xiaoping Writes Title of Book on Defense
OW1802003589 Beijing XINHUA Domestic Service
in Chinese 1232 GMT 16 Feb 89

["Local Broadcast News Service"]

[Excerpt] A "Handbook on Citizen's Defense Obligations," first of its kind in China giving systematic explanation of national defense knowledge, was published recently by the Kunlun Publishing House. Deng Xiaoping, chairman of the Central Military Commission, wrote the book's title. Qin Jiwei, minister of national defense, wrote the foreword for the book. [passage omitted]

Deng Autographs 'Biographies of Entrepreneurs'
OW2302092589 Beijing XINHUA in English
0252 GMT 23 Feb 89

[Text] Beijing, February 23 (XINHUA)—A series of "Biographies of Entrepreneurs" will be published in October, the "ECONOMIC DAILY" announced Wednesday.

The collection will sum up the experience of individuals who have influenced China's economic restructuring during the past ten years. It is designed to encourage other potential Chinese businessmen to take an active part in carrying out the Communist Party's policy of national economic reform.

Seven volumes of the collection, containing the biographies of 297 entrepreneurs, have already been completed, and the entire collection will be published on October 1.

The character autograph for the title was written by Deng Xiaoping and the preface was written by Zhang Jingfu.

Li Peng Presides Over Executive Meeting
OW1802172689 Beijing XINHUA Domestic Service
in Chinese 1355 GMT 18 Feb 89

["Local Broadcast News Service"]

[Text] Beijing, 18 Feb (XINHUA)—Premier Li Peng presided over the 35th executive meeting of the State Council on 17 February to discuss the division of responsibility between state-run specialized corporations and the relevant ministries under the State Council. Some decisions were made at the meeting.

The meeting called on the State Planning Commission to coordinate the work between the ministries and investment corporations. Various relevant administrative bodies must change their functions, strengthen administration, work out industrial policies and carry out overall management. Investment corporations should concentrate their efforts in the near future on making investment decisions under the supervision of the relative administrative bodies and the guidance of professional development plans.

Also, decisions were made on relevant investments plans, new investment projects, and investment corporation management.

Li Peng Commends 1988 Tax Revenues
OW2302031289 Beijing XINHUA Domestic Service
in Chinese 1307 GMT 20 Feb 89

["Local Broadcast News Service"]

[Text] Beijing, 20 Feb (XINHUA)—On 20 February, this reporter learned from the National Meeting of Directors of Taxation Administrations that, in 1988, the tax officials of our country collected 4.2 billion yuan more than the original state target. The figure exceeded the State Council's target of additional 3 billion yuan and, thus, played a great role in helping the government contain the financial deficit and stabilizing the economy. Premier Li Peng gave a written instruction to "commend" this remarkable achievement.

Jin Xin, director of the State Administration of Taxation, said: This achievement has not come easily. The tax collectors have made tremendous efforts.

Yang Shangkun Visits Jiangsu Province
OW1802172589 Nanjing XINHUA RIBAO in Chinese
11 Feb 89 p 1

[By Zhang Xingduan]

[Text] President Yang Shangkun inspected Jiangsu's urban and rural areas in the company of Han Peixin, secretary of the Jiangsu provincial party committee, Governor Gu Xiulian, Nanjing Military Region Commander Xiang Shouzhi, and Fu Kuiqing, Nanjing Military Region political commissar, from 30 January to 9 February. He called for intensifying the efforts to build up China's comprehensive national strength.

Around the Spring Festival, while festive scenes full of bustling and excitement prevailed in urban and rural areas throughout Jiangsu, Comrade Yang Shangkun visited factories, villages, and PLA units in the vicinity of Changzhou, Nanjing, Yangzhou, and Zhenjiang cities. Through discussions with the cadres, peasants, and workers, he was deeply impressed with the efforts by cadres and the masses in various localities to overcome difficulties and ensure that a good job is done in economic readjustment, production, and construction. He said: The current economic situation is generally good. The masses have high spirits, comrades of the provincial and city party committees are driven in their work, and the undertakings in all fields are advancing vigorously.

Comrade Yang Shangkun said: Despite problems and difficulties in economic work, a review of the decade since the 3d Plenary Session of the 11th CPC Central Committee obviously indicates the tremendous changes that have taken place in China. The excellent situation is reflected mainly in the remarkable achievements during

the short period of 10 years, achievements which we were unable to make earlier. The current problems are those existing in the course of advance. The party Central Committee has identified them in good time and adopted a series of countermeasures. The current inspection tour of Jiangsu has enabled me to familiarize myself with the useful experience accumulated by cadres at different levels in jointly surmounting difficulties. It is fairly reasonable to believe that through efforts aimed at readjustment and consolidation for the next 2 or 3 years, we will succeed in establishing a new economic order and achieving a sustained and stable economic growth.

Yang Shangkun encouraged cadres at all levels to earnestly carry out the economic readjustment and consolidation and resolve problems caused by an overheated economy and inflated consumption. At the same time, efforts must be made to increase production and ensure effective supply. It is necessary to promptly study new problems cropping up in the course of improving the economic environment and rectifying the economic order, and facilitate economic, cultural, scientific, and technological advances in a coordinated manner so as to further build China's comprehensive national strength.

During the inspection tour, Comrade Yang Shangkun repeatedly stressed the importance of concerted action by all party members and people across the country in smoothly realizing the goal of economic readjustment with one heart and one mind. It is necessary to advocate especially the party's fine tradition of assiduous struggle. Party and government organizations must strictly enforce discipline and make themselves exemplary in performing duties with honesty. It is also necessary to build up the party organizationally, foster socialist ethics and ideology, conscientiously safeguard the party's prestige, and work hard in promoting the reform and open policy and economic construction. Efforts must also be made to strengthen the education about national defense among all people and intensify defense construction.

On the eve of the Spring Festival, Comrade Yang Shangkun visited a vegetable market and small commodities vendors in Changzhou to familiarize himself with the supply and price situation. He called on a family in Hongmei New Village. He also visited Dongfeng Printing and Dyeing Mill in Changzhou, a toy factory and lacquerware factory in Yangzhou, a refrigerated vehicles plant in Zhenjiang, and other export-oriented enterprises, encouraging their cadres, staff members, and workers to "increase the production, earn more foreign exchange, and contribute more." On the morning of the eve of Spring Festival, he called on the staff members and workers of Yangzi Petrochemical Corporation, urging them to "continue to develop the petrochemical industry." On the morning of 7 February, he visited a peasant household engaged in hog raising and some middle and primary school teachers in Wantou Township on the outskirts of Yangzhou City. On the 90th birthday of Comrade Qu Qiubai, Yang Shangkun visited the "Memorial Hall for Comrade Qu Qiubai" in Changzhou.

While in Nanjing, Comrade Yang Shangkun paid a visit to Dr Sun Yat-sen's tomb.

Li Ximing Cited on Reinforcing Enterprise Reform
OW2002221689 Beijing XINHUA in English
1643 GMT 20 Feb 89

[Text] Beijing, February 20 (XINHUA)—Beijing is to more strictly enforce its system of requiring factory management and workers to fulfil their contracts, a senior Communist Party official said here today.

Factories failing to do already face loss of bonuses and pay cuts and must take responsibility for their own losses, said Li Ximing, member of the political bureau of the party Central Committee, at a local party meeting.

"Enterprises should be responsible for both profits and losses," said Li who is also secretary of the Beijing municipal party committee. "It's not right that there could be only pay increase for workers."

In fact, he said, the wages should be linked with the workers' performance and the economic returns of the enterprise where they work.

Li also said that to minimize unemployment, staff made redundant by reorganisation should be absorbed into other parts of a factory.

At the same time, Li said, factories which are required to cut staff should organize re-training schemes for displaced staff.

Tian Jiyun Attends Greening Commission Session
HK1902053789 Guangzhou Guangdong Provincial
Service in Mandarin 0400 GMT 19 Feb 89

[Excerpt] The eighth enlarged plenary session of the All-China Greening Commission opened in the Zhudao Hotel in Guangzhou this morning. Present were Tian Jiyun, Vice Premier of the State Council and Chairman of the All-China Greening Commission; Gao Dezhan, Minister of Forestry and Vice Chairman of the Commission; members of the commission; leaders responsible for forestry in the provinces, municipalities, and autonomous regions; and responsible persons of forestry departments, totalling 100 persons.

Vice Premier Tian Jiyun made a speech. [Begin recording] Comrades, this is the eighth plenary session since the establishment of the All-China Greening Commission. Comrade Wan Li presided over the session and made important speeches at the previous sessions. These played a major guiding role in launching the All-People Obligatory Tree-Planting Drive and speeding up the pace of greening the land. [end recording]

Vice Premier Tian Jiyun analyzed the excellent situation throughout the country in afforestation and greening and the All-People Obligatory Tree-Planting Drive in the

past 7 years, and pointed out that the fundamental factors in speeding up the development of forestry and making a success of greening the land are, first, the leaders at all levels have attached importance to the work and stressed practical results; second, the whole society has been mobilized to take part in the greening drive.

Vice Premier Tian Jiyun proposed the basic tasks for afforestation and greening work in the coming period. He said that this year attention must be paid to formulating plans for obligatory tree-planting and for departmental afforestation and greening. The forests must be developed according to law, implementation of measures must be vigorously tackled, attention must be paid to science and technology, and management must be strengthened. The quality of afforestation must be improved, and propaganda and education on afforestation and greening must be stepped up.

Vice Premier Tian Jiyun also endorsed Guangdong's experiences in afforestation and greening and called on all localities and departments to seriously study them. He called on everyone to work endlessly from now to the end of the century to grasp year-by-year the mass movement to plant forests and green the motherland, to make the vast land of China still more beautiful.

Guangdong Provincial CPC Committee Secretary Lin Ruo and Vice Governor Ling Botang also spoke at the meeting. Lin Ruo detailed Guangdong's experiences in afforestation during the past 3 years. [passage omitted]

Further on Afforestation Efforts

OW1902175889 Beijing XINHUA in English
1434 GMT 19 Feb 89

[Text] Guangzhou, February 19 (XINHUA)—Chinese Vice Premier Tian Jiyun today called upon local governments to fully understand that afforestation is a long-term task and asked them to make greater efforts towards the problem.

Tian made the remarks at the eighth meeting of the National Afforestation Committee which opened here today.

China started a nationwide afforestation drive seven years ago. Since then, citizens have been urged to plant trees and so far more than 7 billion trees have been planted.

The drive has improved China's ecological environment considerably. The country's total area of green land in cities has reached 280,000 hectares, which doubled the figure seven years ago.

However, Tian pointed out, now only one-third of the eligible citizens have taken part in the annual compulsory tree-planting campaign.

He said some units in the cities and some villages have failed to respond to the call for the nationwide afforestation drive, and some have relaxed their efforts.

The vice premier praised Guangdong for its great achievements in afforestation in the past years and called other provinces to learn from it.

Tian Jiyun Writes Preface for Agricultural Book
OW2302052889 Beijing XINHUA Domestic Service
in Chinese 1252 GMT 20 Feb 89

["Local Broadcast News Service"]

[Text] Beijing, 20 Feb (XINHUA)—Tian Jiyun, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, wrote a preface for a book entitled: "Challenge and Countermeasures—100 Issues on How To Strive for a Bumper Harvest in Agriculture," which is going to be published soon.

The preface says: Propelled by the reform, we have succeeded in unleashing the productive forces in the rural areas, arousing the enthusiasm of the broad masses of peasants, and bringing about rapid development of agricultural production through policies, science and technology, and investment since the 3d Plenary Session of the 11th CPC Central Committee. However, we must not let ourselves be satisfied with these successes and stay at the current level without striving for further progress. We must face squarely the new challenges confronting agriculture. First, the population of our country is growing at a rate of over 10 million per annum, while the areas of our cultivated land are decreasing at a rate of several million mu every year. This is a very serious situation. Second, following economic development and the improvement of people's living standards, there is a great increase in people's demand for grains, foodstuffs made from grains, and other agricultural products. Third, since our implementation of the open policy and the strategy for promoting economic development in the coastal areas, we have expanded our contacts with the international community. As a result, our need for foreign exchange has greatly increased. We need to export products to earn foreign exchange. However, at present the production of the main agricultural products seems to be making no further progress. The supply of export products will definitely be affected. This new situation will make it necessary for agricultural production to make further progress to reach another new level.

The preface points out: Improving the economic environment and rectifying the economic order are the focal points of reform and construction in our country this year and next. Making vigorous efforts to promote the development of agriculture, particularly grain production, and to increase the effective supply of farm and sideline products has tremendous bearing on our efforts to carry out the requirements of "improvement" and "rectification" and maintain overall stability. It is an arduous task

facing the whole party and all the Chinese people to strive by every means possible for a bumper harvest in agriculture this year and next, especially this year.

The preface maintains that by carrying out resolutely the lines decided by the 13th National Party Congress, by implementing earnestly the guidelines and various measures adopted by the national rural work meeting and its "decisions," and by relying on the efforts of millions of peasants, we shall be able to solve some problems in developing our agriculture at present, overcome the problems temporarily cropping up in the course of our progress, and succeed in achieving our objectives of striving for a bumper harvest in agriculture during this year and the next and promoting agricultural production to reach a new, higher level.

Qiao Shi Cited on Party-Building in Colleges

OW1902113189 Beijing XINHUA Domestic Service
in Chinese 1348 GMT 18 Feb 89

["Local Broadcast News Service"]

[Text] Beijing, 18 Feb (XINHUA)—Some of the presidents and party committee secretaries of universities and colleges invited to the State Education Commission's work meeting held a forum yesterday to discuss party-building in institutes of higher learning. Qiao Shi, Li Tieying, and responsible comrades of relevant departments attended the forum.

At the forum, Qiao Shi pointed out: Our party's main body is solid and sound, full of vitality and creativity, and capable of shouldering the important historical task of leading the Chinese people in building socialism with Chinese characteristics. Currently we must consider cultivating honesty and fighting corruption as a very important task. In the new historical period, we must stick strictly to party discipline and set harsher and higher demands on party organizations at various levels and on all Communist Party members and never lower standards or relax demands.

Qiao Shi also pointed out: Whether using the experimental system that allows presidents to assume full responsibility, or the old system that has presidents work under the leadership of school party leaders, institutes of higher learning should always proceed from reality, conscientiously carry out the task of separating party and government functions, improve and enhance party leadership, and give full play to the school party organization's central political role and party members' exemplary vanguard role.

Wang Fang Addresses Armed Police CPC Meeting

HK2102143089 Beijing RENMIN GONGAN BAO
in Chinese 31 Jan 89 p 1

[Report by Qiao Jianzhong (0829 1696 0112): "Wang Fang Makes Important Speech at Closing Session of Enlarged Meeting of the Armed Police CPC Committee"]

[Text] The 6-day meeting of the CPC Committee of the armed police forces ended successfully on 26 January. The closing session was presided over by Commander Li

Lianxiu. At this session, Political Commissar Zhang Xiufu made a closing speech at the meeting and Wang Fang, state councillor, and minister of public security, and first political commissar of the armed police forces, made an important speech. Vice Ministers of Public Security, Gu Linfang, Yu Lei, and Hu Zhiguang were also present at the closing session.

Speaking about the situation of public security, Minister Wang Fang said that the general situation of public security across the country is stable. In the 10th year of reform, we of course also met with unprecedented serious problems and the most conspicuous one was marked inflation in the economic life and an excessive price increase. Some negative and decadent phenomena in party and government organs and in the society were also shocking. These problems are reflected in the situation of public security as a great increase in unstable factors in the society and in problems of public security. Therefore, we are faced with a very grim situation of public security and we must have a clear understanding of it. We must combine comprehensive improvement of social order with cracking down on crimes and doing consolidation work with concentrated efforts and must strive to maintain good social order.

Minister Wang Fang pointed out that the armed police forces are an important component part of the public security organs. These forces are armed forces that carry out the mission of safeguarding domestic security and they undertake heavy tasks and responsibilities. It is therefore necessary to regularly find out and study the public security situation. We are faced with a grim situation in social order and arduous tasks are before us. We must make an effort to strengthen overall building of the armed police forces before we can keep abreast with the situation and fulfill our tasks. The armed police forces are shouldered with an important mission of organizing urban armed patrol and dealing with emergencies and must set up a well-trained, well-equipped task force that can take quick and flexible actions independently or in cooperation with other forces.

In the new year, the armed police forces are faced with a new situation, new tasks, and new tests. Minister Wang Fang demanded that in the course of ideological and political building, the armed police forces should persist in setting high demands on the policemen, pay attention to weak links, grasp problems involving orientation, and do a good job in improving the work style and discipline. In the mean time, great effort should be made to strengthen various rules and regulations and the building of the legal system so that training, fulfillment of duties, studies, and work, that is, the management of the armed police forces, can be carried out according to rules, regulations, and laws. The key to set high demands on the management of the armed police forces lies in properly grasping the building of the contingent of cadres. High demands should be set on cadres first. Special attention should be paid to properly handling the relationship between cadres and fighters, old soldiers

and new ones, and the higher level and the lower level, strengthening ideological and political work, improving work methods, setting high demands, and carrying out strict management in order to promote all-around building of the armed police forces. Minister Wang Fang also asked the armed police forces to strengthen the building of leading bodies, do a good job in readjustment and appointment work, improve the quality of training, ensure clean administrative work, and strengthen unity and cooperation.

Wang Bingqian Condoles Death of Yu Jie

OW2002070589 Beijing Domestic Service in Mandarin
1030 GMT 18 Feb 89

[Text] A ceremony was held at the Revolutionary Mausoleum in Changsha today to pay last respects to the remains of Comrade Yu Jie, an outstanding CPC member, time-tested loyal fighter for communism, proletarian revolutionary, and former head of the Central Supervision Commission's supervision group stationed in the Finance Ministry.

Comrade Yu Jie died of illness in Pingjiang County, Hunan, on 4 February, at the age of 87.

Wreaths were sent by Li Peng, Chen Yun, Wan Li, Li Xiannian, Deng Yingchao, Yao Yilin, Wang Zhen, and other leading comrades, as well as by the National CPPCC Committee, the Central Discipline Inspection Commission, the General Office of the CPC Central Committee, the General Office of the State Council, the Central Organization Department, the Finance Ministry, the Commerce Ministry, Shandong Province, Hunan Province, Yueyang City, Pingjiang County, and other party and government organs.

Wang Bingqian, Xiong Qingquan, and others attended the ceremony and presented wreaths.

Comrade Yu Jie was born to a poor peasant family in Pingjiang County, Hunan Province. He joined the Worker-Peasant Red Army in May 1930, and the CPC in September the same year. In the Central Soviet District, he took part in antiencirclement struggles on five occasions. In 1935 he participated in the 25,000-li Long March.

After the PRC's founding, he was minister of grain, vice minister of commerce, and head of the Central Supervision Commission's supervision group stationed in the Finance Ministry. He was a deputy to the Third NPC, and a member of the Standing Committee of the Fifth National CPPCC Committee.

In the early seventies, Comrade Yu Jie stepped down from his leading post on his own accord, left Beijing with his children, and returned to his hometown to spend his remaining years. He settled in a poor mountainous area in Pingjiang County, Hunan Province, thereby setting an example for abolishing the system of lifetime tenure for cadres.

During the 20 years following his return to his hometown, he consistently maintained a high revolutionary fervor, never considered personal reputation, position and other enjoyments of life, and worked day and night for the cause of the party and the construction of his hometown. The masses praised him as a true communist and people's servant.

Bo Yibo Commemorates Comrade Liu Yaxiong
HK2402062389 Beijing RENMIN RIBAO in Chinese
17 Feb 89 p 5

[Article by Bo Yibo (5631 0001 3134): "Preface to 'Collection of Works Commemorating Liu Yaxiong'"]

[Text] I think it is worthwhile to publish a book commemorating Comrade Liu Yaxiong on the anniversary of her death. This will help to cherish the memory of Comrade Liu Yaxiong and encourage the living.

Comrade Liu Yaxiong joined the revolution in 1924 and became a party member in 1926. For over 60 years, she worked untiringly and perseveringly for the party's cause. She achieved extraordinary successes at ordinary posts.

Comrade Yaxiong was one of the forerunners of the women in Shanxi Province who joined the revolution after the 4 May Movement. I got to know her and worked with her after the Fourth Plenary Session of the Sixth CPC Central Committee, in February 1931, although I had known her father much earlier. She came to Tianjin with Comrade Chen Yuandao. Comrade Yuandao was head of the organization department of the Shunzhi Provincial CPC Committee, and was actually in overall charge of the work of the provincial CPC Committee. Comrade Yaxiong was the secretary general of the provincial CPC Committee. Not long after, as a result of damage done to party organizations, she and Yuandao, as well as a large number of comrades, were arrested and sent to the "Beiping Branch of the Soldiers' Self-Examination Institution" (the Caolanzi Prison). Later, the new Shunzhi Provincial CPC Committee (in Beiping) was again destroyed and I was also arrested and put in the same prison. After the "8 December Incident," it was said that "the KMT [Kuomintang] was ready to move the capital," and it granted amnesty to "political prisoners," and both Comrade Yuandao and Comrade Yaxiong were released. Afterward, Comrade Yaxiong and her husband Comrade Yuandao went together to work on the Jiangsu Provincial CPC Committee. Not long after, Comrade Yuandao was again arrested by the reactionary authorities and died at Yuhuatai, Nanjing in 1933. Despite this misfortune, Comrade Yaxiong remained firm and unyielding. As always, she overcame one difficulty after another and worked stubbornly for the party in an undaunted revolutionary spirit. Under extremely difficult circumstances, she brought up her dead husband's child. In the autumn of 1936, I met her again at Zhongshan Park after I returned to Beiping from Taiyuan. Also present at the meeting was Comrade Kong Xiangzhen. I invited them to work at Taiyuan. With the

approval of the Northern Bureau, Comrade Yaxiong came to Taiyuan to take up the post of political instructor of the 11th Company (a female company) of the Shanxi Military and Political Training Session. With her painstaking work and guidance, the girls of the training session rapidly grew to maturity. Tempered in war, most of them later became outstanding women cadres of our party and Army and became party members. She had many students. At the end of 1937, she was ordered to organize a guerrilla detachment of 200 people under the leadership of the Dare-to-Die Corps to resist Japanese aggression. She acted as political instructor, and the commander of the detachment was Yang Shijie, a veteran cadre of the Red Army. The guerrilla detachment was the first of its kind in Shanxi and later developed into the 1st Guerrilla Regiment. While the first column of the Dare-to-Die Corps went to set up a base area in southeastern Shanxi, she on one occasion took up the post of commissioner of the commissioner's office of the 3d Administrative District. During this period, I gained a deeper understanding about her. After she went to study in Yanan, and particularly after she became vice minister of labor following the liberation of the whole country, our contacts were more frequent. Her spirit of studying diligently and doing solid work impressed me.

The period in which Comrade Yaxiong worked in the White Area happened to be a period when inner-party "left" deviation mistakes prevailed, and this had some influence on her ideology and work. However, after she went to Shanxi, she was able to correctly implement the Central Committee's policies and principles in every aspect. She showed a particularly firm stand in opposing closed-doorism, in separating open work from secret work, and in separating legitimate work from illegal work. I think that was the result of her profound understanding of the evil consequences of the "left" deviation mistakes. This also shows that it is not terrible to have been influenced by mistakes if we can turn the lessons we have drawn into a motive force pushing us forward and impel ourselves to become more sober-minded and conscious revolutionaries in pursuit of truth.

Comrade Yaxiong took a serious attitude toward her work. She was amiable and approachable among her comrades and was like a kind elder sister. She was a good example of sincerity and high moral integrity and she won the respect and love of all. She was a good mother, too. How she loved and educated her child has been talked about frequently among her friends and people who knew her. Her family is a revolutionary family. Her father, sisters, and brothers have all taken the revolutionary road and have made their own contributions to the cause of the party and the people. Undoubtedly, all this is the result of Comrade Yaxiong's good influence on them. On the road of revolution and life, Comrade Yaxiong experienced much hardship and suffering. It can be said that she traversed a rough and bumpy road in her lifetime. For example, for quite a long time after the death of Comrade Yuandao, the party organization did not assign her any job, and she worked in the White Area on her own. She was not given any documents

to read, nor did she receive any instructions. Her difficulty is imaginable. Again, during the "rescue movement," she was groundlessly labeled as a "traitor" and was rehabilitated only 2 years later. The manner in which she was persecuted during the "Great Cultural Revolution" was even worse. However, despite such hardships, suffering, and injustice, she remained devoted to the party and the revolution. The more setbacks she suffered, the harder she worked. This is indeed worthy of esteem. In short, under favorable or adverse circumstances, Comrade Yaxiong worked wholeheartedly for the party. She dedicated her whole life to the cause of the liberation of the Chinese people and the construction of socialism. She was worthy of the name of loyal communist fighter and proletarian revolutionary. Her selfless and dauntless spirit, her high sense of responsibility toward the work of the party, and her work style of establishing close ties with the masses, seeking truth from facts, and arduous struggle is worthy of learning by us and by future generations.

Of course, like all other revolutionaries, Comrade Yaxiong was not perfect. She also had her weak points and shortcomings. Sometimes it was clear that she had been unfairly treated in some matters, but she was not willing to express her views and adopted a forbearing and conciliatory attitude. This was perhaps why some comrades thought that she tried to mind her own business in order to keep out of trouble. Undoubtedly, such a weak point is a minor one and yet she paid much attention to it, never tried to cover it up, and tried hard to overcome it. She always held that the process of a communist contributing to the party and the people was also a continuous process of understanding and transforming himself in practice. This spirit of setting high demands on herself is also worthy of remembering and learning.

Events of Avant-Garde Art Exhibition Reported
HK2402030789 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1520 GMT 22 Feb 89

["Behind-the-Scenes Events Concerning the 'China Avant-Garde Art Exhibition'"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 22 Feb (ZHONGGUO TONGXUN SHE)—The first "China Avant-Garde Art Exhibition" closed quietly in Beijing on 19 February [date as received].

The "China Avant-Garde Art Exhibition" did not "trigger off a widespread response" as its sponsors had anticipated. However, the "shooting" episode, the "bomb threat" episode, and the fact that the exhibition was twice suspended really did arouse great concern among people.

The "shooting incident" occurred on the first day of the "China Avant-Garde Art Exhibition." According to well-informed sources, a man and a woman shot at an exhibit entitled "Making a Telephone Call." Both the

man and the woman are students of the Zhejiang Provincial Art Academy. The woman is the creator of the exhibit and also the daughter of the president of the Zhejiang Provincial Art Academy. The man, who is the son of the commander of a certain military region, had been invited by the woman to attend the exhibition and give his help.

Police said that after the "shooting incident," the man was immediately taken to the public security bureau. In the evening, the woman also went to the public security bureau of her own accord to "offer an explanation." The man was held in custody for 5 days by the public security bureau before being released. The woman was also held in custody for 2 days by the public security bureau before being released. Both the man and the woman claimed that what they had done was merely aimed at further perfecting a work of "destructive art." The man and the woman said that they had originally planned to spend 15 days in a house of detention in order to experience life behind bars, and that they had not expected to be released so quickly. The woman shouted loudly: "I did not expect to be released so quickly."

After the "shooting incident," the art museum was closed for several days. When it reopened, more people went to see the exhibition. On the 14th day of the "China Avant-Garde Art Exhibition," someone wrote a letter to RENMIN RIBAO, saying that if the exhibition continued, they would plant a bomb in the art museum. As soon as the organization committee of the exhibition learned of this, it held a meeting which finally decided to close the exhibition for the time being.

The police used dogs and invited engineers to search for bombs in the exhibition hall, but in vain. It still remains a mystery who wrote the blackmail letter. However, some insiders said that when preparing the exhibition, the organization committee of the "China Avant-Garde Art Exhibition" received a total of 3,000 works of art. However, only some 200 works were put on exhibition. Since there are people who did a lot of work during the period when the exhibition was under preparation, but who failed to have their own works of art exhibited, there are bound to be people who are discontented with the exhibition. Therefore, the blackmail letter might have been written by an insider rather than an outsider.

Problems With Free Medical Service Reported
OW1702184789 Beijing XINHUA in English
1505 GMT 17 Feb 89

[Text] Beijing, February 17 (XINHUA)—A young man died of a sudden heart attack in a Shanghai hospital. After a doctor had signed the death certificate, relatives pointed out that, in fact, his name was different from that written on the form, today's "CHINA DAILY" reported.

It turned out that the dead man, who had been jobless and not entitled to free medical care, had received treatment in the name of his neighbour, a state-employed worker, so that he would not need to pay, the paper said.

This is just one example of the current practice of eating into the free medical treatment system which is intended only for government-employed people.

As the private economy has grown, so many professionals have left their government jobs and become wealthy. But they still try to get their medical treatment for nothing even though they could well afford to pay.

The method they adopt, as the paper reported, is to keep one member of the family working with government units so that all the rest of the family can get free treatment by using the one name. No one seems concerned over the cost to the government.

In recent years, some units have launched "reform" and divided medical expenses among all employees to save money. With a modest sum flowing into the pockets of individuals, medical expenses for many units have indeed been brought down.

But the individuals still seek free treatment in the name of relatives, keeping the money they have been given in their pockets.

Those who leave to study overseas know that medical costs can be expensive abroad, so they stock up on free medicine before leaving.

In addition, as Chinese herbal medicines gain in popularity abroad, they become useful as gifts, an idea taken up by students. The paper quoted a doctor of Chinese traditional medicine as saying that many people had gone to him saying they had piles and his stock of medicine ran out. The reason was these medicines were being taken as gifts.

Some people got them from hospitals and immediately sold them to peddlars.

Defects with the present medical management system are evident. Accountants seldom check prescriptions with hospitals.

The paper suggests reforms should promote medical social security and then have individuals pay from their income.

Minister Emphasizes Importance of Family Planning
OW2302031389 Beijing Domestic Service in Mandarin
1030 GMT 21 Feb 89

[Text] At present, the situation of exceeding the quota in family planning is quite serious in our country. According to a sampling investigation on birth and family

planning throughout the country, the actual situation of bearing children by China's women is as follows: In cities, most women have observed the quota of having only one child. However, in the vast rural areas, the overwhelming majority of women have had two children and some women have had three or more children. Since the beginning of the 1980's, only 50 to 60 percent of women in the whole country observed the average family planning quota. Among those cases in violation of state policy and plan, two children per family and more than two children per family each account for two-fifths respectively. Young women who have a child before the age of 20 account for about one-fifth.

Minister Peng Peiyun of the State Family Planning Commission delivered a speech at the national conference of heads of family planning committees today. She emphatically pointed out: The policy of family planning is a basic national policy. Various localities must strictly implement the policy and allow no variations or exceptions. Those practices not in agreement with the central authorities' current policy should be reported. We absolutely must correct the laissez-faire attitude. We should consider the task of ending multiple and early childbirths our major priority.

Peng Peiyun said: Regarding family planning work, we should take comprehensive measures and keep to the policy of providing guidance for different categories of women. She said that the system of not allocating additional farmland to new children throughout the province in Guizhou is worth noting and promoting in various places.

Peng Peiyun stressed: Family planning work needs legislation. She revealed that the State Family Planning Commission is actively drafting a law on family planning.

Peng Peiyun also asked various places to promote population and family planning basic education among the masses and strengthen the sense of population and family planning of the leading cadres at various levels and the broad masses of party members.

Science & Technology

Xichang Satellite Earth Station Inaugurated
OW2302081189 Beijing Domestic Service in Mandarin
2230 GMT 20 Feb 89

[From the "News and Press Review" program]

[Text] According to a report in JUNGONG JISHU MINYONG BAO [NEWSPAPER ON MILITARY INDUSTRY TECHNOLOGY FOR CIVILIAN USE], the Sichuan Xichang Earth Station for Satellite Communications, jointly developed and built by some units and institutes under the (Zhongshan) Group, passed the

(?land network) verification by the International Satellite Organization recently. It has begun to shoulder the tasks of satellite communications and satellite telemetry and control for both China and foreign countries.

Military

Military District Political Work Examined
HK2402093589 Beijing JIEFANGJUN BAO
in Chinese 11 Feb 89 p 2

[Article by Zheng Qunbin (6774 5028 2430): "Several Questions Concerning Political Work in the System of Provincial Military Districts"]

[Text] What and how do we grasp in the new historical period in respect of the political work of the militia and reserve service in the system of the provincial Military Districts? This article will go into several questions.

1. It is necessary to actively take part in the national defense education work for the whole people, to better the social environment for national defense construction, and to lay a solid ideological foundation for the building of the militia and reserve service.

The personnel of the militia and reserve service reside among the masses. The influence of society—a large ocean—on them outweighs by far the results of several lessons and several activities. Only by instructing all the people regularly in national defense; by enhancing the concept of national defense; by allowing all the people to ensure the state's security and the interests and support the national defense cause; and by forming a strong public opinion and social environment beneficial to national defense construction can the building of the militia and reserve service have a firm social and ideological foundation and the work of the militia and reserve service be basically strengthened.

It is the task of the whole party and society to conduct national defense education for the people. As a part of our Army, the military department of the local party committee, and the military service organ of the government, the system of the provincial Military Districts not only assumes unshirkable responsibility for national defense education but also possesses many advantageous conditions for doing this work well: It has a large number of cadres who have engaged in military work for a long time and who have certain professional national defense knowledge; it possesses certain material conditions, such as weaponry, military facilities, training grounds, photographs, and data; it has close ties with the locality and PLA units stationed there and can give play to its coordination role in the course of national defense education. These favorable conditions enable the system of the provincial Military Districts to play a part in the following several aspects while the system participates in national defense education for all the people: 1) It enthusiastically passes on the policies and directives of

the CPC Central Committee and Central Military Commission on national defense construction to the local party committees and governments, puts forward its views and suggestions on national defense education and military propaganda, and serves as a good assistant to the local party committees and governments in organizing and directing national defense education for the whole people. 2) In coordination with the PLA units stationed in the locality; local departments, including the propaganda, education, culture, and civil affairs departments, trade unions, CYL, and women's federation; and the forces of social groups, it gives play to their strong points and makes concerted efforts to do well in grasping national defense education. 3) In coordination with the local departments concerned, it organizes the cadres and the masses to inspect military maneuvers and military facilities and enriches their national defense knowledge. 4) Where conditions permit and it is possible, it provides the local people with pictures, data, material objects, and models. 5) In coordination with the local education department, it does military training work well for the university and middle school students, strengthens their concept of national defense and their sense of organization and discipline, and lays a good foundation for training the military officers of the reserve service. 6) Through national defense education for the militia and the personnel of the reserve service, it pushes forward and promotes the deepening development of the national defense education for the whole people.

2. The development of the productive forces and enhancement of combat effectiveness through participating in economic construction is one of the important tasks of the militia and the units of the reserve service as well as an important way to strengthen the work of the militia and reserve service in peacetime.

Regarding how to do the work of the militia and reserve service well through organizing and mobilizing the militia to participate in economic construction, after summing up the experience from all areas over the past few years, the following primary ways exist: 1) The militia is organized and mobilized to take the lead in ending poverty, and developing the commodity economy; to increase the economic results of enterprises; and to enhance the productive forces and strengthen combat effectiveness. 2) The strong points of the sound organization and strong shock force of the militia and reserve service are fully brought into play to contract for key projects of the state and locality, to complete the tasks of their own enterprises and units, and to fight tough battles in the course of urgent, difficult, dangerous, and important projects. After which the militia's and reserve service's work style of bearing hardships, enduring hard work, and brave and indomitable combat is cultivated. 3) The militia and the units of the reserve service are organized to quickly deal with emergencies and to provide disaster relief; their emergency role is brought into play in combating floods, fighting hill fires, providing earthquake disaster relief, tracking down and arresting criminals, and quickly dealing with emergencies in

important accidents; the ability of the militia and reserve service cadres and backbone elements to organize command is tempered; and their adaptability and revolutionary heroism in an environment of hardship is cultivated. 4) The militia is organized and mobilized to vigorously participate in the building of socialist spiritual civilization. The radiation role of some 74,000 militia demonstration points and the role of the spiritual civilization position—some 500,000 "young militia homes"—is fully brought into play so that their backbone and vanguard role can be emphasized in building civilized units and transforming the general mood of society. 5) The training of specialized technicians is integrated with the application of technology similar to that for civilian use in an organized way and under the premise of guaranteeing the completion of the training task; and the achievements in training are unremittingly consolidated in conjunction with the completion of the work and tasks in peacetime so that they become apt hands at productive technology in peacetime and the combat technological backbone elements in wartime. For example, we can utilize the antihail and artificial rain technology to train the artillery; utilize the tasks of killing insects and preventing disasters to train the antichemical warfare corps; utilize the explosion tasks in mining and road construction to train the engineer corps; and utilize the transport, postal, and telecommunications tasks to train the motor vehicle troops and signal corps. 6) It is necessary to carry out the activities of "labor generating funds for the Armed Forces, enriching the people, and making the Army powerful" so that the militia training bases become comprehensive and multifunctional. While completing the military training task, it is essential to let the bases support the masses to lighten the burdens of the masses and to contribute toward local economic development.

3. It is imperative to do the rear area service work well for the servicemen, to support the Army's reform and building, and to promote the standing army and reserves building and development.

Under the conditions of a commodity economy, all reforms and army-building have relied more and more on local governments and the masses. Local support and assistance are all needed in the PLA units' operational training, logistical guarantees, production, recruitment, officer and men transference to civilian work, and retired servicemen settlement; as well as in employment, education, nurseries, and housing for the family members and children of the servicemen. This situation not only has a direct bearing on the thinking and work of the officers and men, but also affects their families and relatives at the same time. The PLA units alone can hardly do this work well, and the vigorous support of the whole society is required. The system of the provincial Military Districts has both PLA units and the militia, and its work links the building of the standing army and reserve forces. It has many favorable conditions in the aspect of supporting PLA units' reforms and providing rear area services. The system of the provincial Military Districts can do the following

work in the aspect of providing PLA units with rear area services: 1) Improving military service work and making "conscription, training qualified personnel, and settlement" a coordinated process of service; 2) helping concerned local departments do a good job in giving preferential treatment to the family members of servicemen; 3) doing well in transferring cadres to civilian work and settling retired cadres in coordination with PLA units and local departments concerned; 4) setting up active PLA unit ideological and political work "rear area bases," maintaining ties between PLA units and the families of their officers and men through contacts with the PLA units in which there are more officers and men who are natives of the area, and building a network of ideological and political work of the Army, locality, and families to help PLA units realize socialization of ideological and political work.

If this work is done well, not only can the PLA units be stabilized, but also the servicemen can be relieved of their troubles back home. At the same time, this will be beneficial to the development of the militia and reserve service work and will lay the foundation for stepping up the building of the national defense reserve force.

4. It is necessary to maintain ties between troops and the locality in which they are stationed, to do a good job in unity and propaganda work, and to maintain a close Army-government and Army-people connection in the new period.

To strengthen Army-government and Army-people unity in the new period, we must rely on the concerted efforts of both Army and locality. As the system of the provincial Military Districts lies between the Army and the locality, it understands the situation in Army-building under the leadership of its upper-level military organ and participates in the work of local party committees and governments and understands the situation of local work. It can give play to its role as a bridge and has much work to do in coordinating the Army and the government and the Army and the people. For example, it will promote mutual understanding and support between Army and locality by doing propaganda work well and maintaining ties between them; it will coordinate the relations between Army and locality in accordance with requirements for local economic construction and for PLA units' production and management; it will brief the troops stationed there on the plan for local economic development and require them to assist in projects; it will brief the locality on the situation in which the Army takes the road of self-development and self-perfection and provide PLA units with information and market advice to develop production and management; it can also mediate in the contradictions and disputes between the Army and local departments concerned in the aspects of housing, land, and military facilities and, on the basis of the overall situation and the principle of mutual understanding, can help all departments concerned adopt administrative, legal, and economic measures to properly resolve the contradictions and disputes.

As the system of the provincial Military Districts lies in the tide of local reform, it must study the new situation and solve the new problems of local reform in the building of the militia and reserve service. As it also lies in the tide of Army reform, it must study and do well in supporting the building of the PLA units and promote the building of the militia and reserve service. The system of the provincial Military Districts has many problems of a political nature to solve much work to do. So long as it continuously intensifies study, improves its work style, and enhances the quality of its cadres, it will surely score new achievements in its political work and make even greater contributions toward the strengthening of the standing Army and reserve force.

Economic & Agricultural

Commentator on Difficulty in Economic Reform
HK2402094489 Guangzhou NANFANG RIBAO
in Chinese 17 Feb 89 p 1

["Commentator's article": "It Is Impossible for the Reform Path to Be Perfectly Straight"]

[Text] Owing to the reform over the past 10 years, we have made achievements that have become the focus of world attention. Profound changes have taken place in our economy, politics, the face of our society, and our family life. However, much to our regret, we have discovered that on the one hand, people have been living a better life in recent years, but, on the other, they make cynical remarks, or frequent complaints about reform. Some people have even lost confidence, and think that reform has thrown society into confusion. Why does this very contradictory social phenomenon occur? One of the most important reasons is that a large number of cadres and people have expected too much of reform, and underestimate its difficulties, complexity and long-term nature. They lack the ideological preparation for all of this.

During the early period of reform, people expected too much of its bright prospects; they failed to make sufficient ideological preparations for the difficult path to be traversed and the high price to be paid. Some people even idealized the reform. They believed that no problems would occur. They thought that it was only natural that good changes would take place during reform. They even complained that positive changes had not taken place sufficiently. Therefore, when reform was progressing smoothly, they were impatient for success. When reform suffered setbacks, they were pessimistic about its future. On the surface, those who were eager for quick success were full of enthusiasm, whereas those who were pessimistic about the future of reform lost their enthusiasm. It seems that these two kinds of people are completely different. However, every so often the two extremes are interlinked. Both pessimists and those overanxious for quick success are the inevitable results of the oversimplified ideological method for reform.

During the past few years, the main task of reform was to smash the shackles of the old system for productive forces. The main emphasis was placed on delegating power to the lower levels, yielding interests, and invigorating the domestic economy. It was easier to achieve results. It was obvious that people would derive more immediate interests from reform in this period. Therefore, many people treated it in an oversimplified way. They said: "Once the policy of opening up is implemented, the economy can be enlivened immediately," and "the contract system truly works." These views were prevalent at that time. Of course, as far as the reform of the first stage was concerned, the prevalence of these views was not groundless. In the long run, reform will bring great material interests to people throughout the country. However, it is impractical to infer (tui duan 2236 2451) that all measures for reform can bring great results immediately, and that a comfortably well-off level can be attained rapidly. If someone expects too much of reform, is overanxious for rapid results and instant benefits, and takes too large a stride, they will inevitably lack the determination for fighting strenuously, and their capability in withstanding strains caused by setbacks will inevitably be weak. Once setbacks and mistakes, which are difficult to avoid, occur in the reform process, excessive expectation of the results will contrast sharply with practical difficulties. Some people might become dejected, or lose confidence in reform. Instead of being "enthusiastic and active," they might become pessimistic and passive.

With regard to the problem of reform, being overanxious for quick success and holding pessimistic viewpoints are completely groundless. If we make a scientific analysis of our national conditions and reform, we will discover that reform is a strenuous, complicated and long-term process. Ours is a country with a population of 1 billion and a low level of development of productive forces. Economic and cultural development in various localities is uneven. In view of these national conditions, reform must be promoted on the basis of stages and regions. It is impossible for us to enrich the whole nation rapidly and simultaneously by following a single pattern, or adopting a single method. In the meantime, when reform has entered the stage of replacing old systems with the new ones, the old systems are being gradually abolished. However, the new systems have not been fully established. Even if some new systems have been established, they are not perfect. Therefore, it is inevitable that friction will occur between the new and old systems. The occurrence of some problems is an unavoidable "labor pain" of society on the eve of the birth of the new systems. Besides, the guidance for reform and the perfection of various measures is restricted by our cognitive ability and the process of the objective development of reform. Therefore, it is impossible for us to have a clear understanding of the entire process at the very beginning, to take perfect actions, and to avoid mistakes completely. Therefore, only by fully understanding the strenuous, complicated and long-term nature of reform in our country, making an ideological preparation for the

long-term and hard struggle, can we enhance our capability to withstand the strains caused by the mistakes, or defects in reform. Only thus can we carry out reform in a sustained and profound way.

As the saying goes: "We discover the insufficiency of our books only when we want to use them, and are unable to know where the difficulties lie unless we experience the matters personally." During the reform over the past 10 years, relapses occurred on several occasions. In particular, after experiencing setbacks last year, we have a more profound understanding of the strenuous, complicated and long-term nature of reform. This marks the deepening and progress of our understanding of reform. However, after we understand the strenuous, complicated and long-term nature of reform, and overcome the notion of being overeager for rapid success, pessimistic views might gain ground. Therefore, apart from understanding the strenuous, complicated and long-term nature of reform, we should realize its necessity, and the favorable conditions for carrying it out well. We must have confidence in the inevitable success of reform. Only thus can we deepen our understanding and turn it into a motive force for promoting reform.

Commentator on Controlling Issuance of Dividends
HK2402100589 Beijing JINGJI CANKAO in Chinese
12 Feb 89 p 1

[Commentator's article: "Restrain Stock Dividends"]

[Text] At present, the focus of enterprise reform is on improving and developing the enterprise responsibility system based on management contracts. The joint-stock system will only be adopted on a trial basis in some localities with necessary conditions. The pilot projects represent efforts at innovation and exploration. New problems in the process of innovation and exploration should be discovered and solved in good time. At present, a small number of enterprises which have been pursuing the joint-stock system on a trial basis issue excessive dividends to their own workers who hold stocks. This is a new problem that should be solved during the trial implementation of the joint-stock system.

One of the basic purposes of adopting the joint-stock system on a trial basis is to pool idle funds in society and to turn part of the consumption funds in society into production funds. If excessive dividends are issued, this will lead to just the opposite, and will inevitably cause the swelling of the consumption funds in society and reduce enterprise accumulation for future development.

This is also short-term behavior, which reflects some people's shortsightedness and blindness. They may not understand that the joint-stock enterprises in modern developed countries also exert efforts to expand reproduction and try to raise the value of the stocks. Dividends account for only about 5 percent of annual profits, and sometimes only 1 percent to 2 percent. Only by increasing accumulation and strengthening their self-replenishment,

self-transformation, and self-development capacity are enterprises able to hold an impregnable position in the intense competition in commodity economy.

The joint-stock system is a product of socialized mass production, and an organizational form of enterprises in a certain development stage of commodity economy. This system possesses certain internationally accepted conventions, as well as universal characteristics and standards, that transcend different social systems. The practice of joint-stock enterprises in foreign countries shows that from the first day they come into being, their survival and development depends on the appreciation of their assets rather than the maintenance of the original value of the assets. Similarly, the primary aim of shareholders is not to maintain the value of their money but to seek the gains brought by the appreciation of the shares. As independent commodity producers and dealers, joint-stock enterprises should, of course, independently undertake all risks under the conditions of commodity economy. That is, they are not only likely to gain profits, but may also incur losses or may even go bankrupt. They cannot evade the constraints of the general civil laws. Similarly, the value of the shares held by shareholders is in fact a variable. By holding the shares, they have the right to take dividends and bonus shares from the enterprise and to see the appreciation of the shares they hold; but they may also be faced with the depreciation of the shares and have to run the risk of the bankruptcy of the enterprises, and thus the loss of all the money they use to buy the shares. When an enterprise goes bankrupt, no matter how great the face value of the shares may be, they will become completely worthless.

In our country, when people are going to buy shares, they need to understand that they are taking certain risks. Shares are quite different from bonds. Bondholders should also undertake certain risks, but they will still be able to retrieve the principal and earn interest unless the enterprise which issues the bonds goes bankrupt. The purchasing of shares in enterprises is also quite different from depositing money with banks. The economic purpose of bank savings is to earn interest. The banks in our country are now promoting savings for maintaining the value of people's pecuniary assets, and this will inevitably increase the public's confidence in, and enthusiasm for, bank savings. In buying shares, one should not only hope to earn dividends, but more importantly should look forward to their appreciation.

Today, this newspaper publishes a report about the Beijing Couch Co Ltd, which properly guided its workers to pay attention to the appreciation of the shares after they bought shares in the enterprise in the course of pursuing the joint-stock system. This provides us with useful experience to learn from. At present, a small number of enterprises in Beijing, Shanghai, Shenyang, Wuhan, Guangzhou, and Chongqing are implementing the joint-stock system on a trial basis. They should sum up their positive and negative experiences and take effective measures to restrain the issuance of dividends.

To achieve this purpose, it is necessary to strengthen opinion guidance and cadre training. On the other hand, necessary local administrative regulations in this respect should be formulated and relevant legislation should be perfected. At present, it is urgently necessary to fix a limit on the issuance of dividends. In particular, the action of issuing lavish dividends in an attempt to evade the payment of bonus taxes must be checked. This will help standardize the financial rules for the enterprises which have adopted the joint-stock system on a trial basis, will help check the swelling of consumption funds in society, and will ensure the development capacity of the enterprises concerned.

'Extreme Ideas' on Economic Problems Rejected
HK2402070589 Beijing JINGJI CANKAO in Chinese
9 Feb 89 p 1

["JINGJI CANKAO Forum" column: "Two Extreme Ideas Cannot Be Accepted"]

[Text] At present, some people, both at home and abroad, insist that while carrying out reform in China, economically, privatization must be pursued. Politically, China must learn from the West the method of the country being ruled in turn by various political parties, and follow a parliamentary system, namely, the capitalist political system of the West. Of course, other people hold another view. Due to the fact that things keep on changing in the reform, and many problems have occurred, they believe that the old method is more reliable. They wish to take the road back. These two extreme ideas cannot be accepted. The line, guiding principle, and strategy adopted since the 3d Plenary Session of the 11th CPC Central Committee cannot be changed, and there is no reason for us to change them.

At present, it is true that some comrades lack a correct understanding of the current difficulties, and that some people's views are very pessimistic. Once the matter of improving the economic environment is mentioned, they wrongly think that the situation is desperately serious. There is absolutely no reason for them to do so. "Overheated" economic development occurred in the past on several occasions. The problem was solved after readjustments were made. The problem can also be solved now. Our present situation is completely different from that of 1960. In 1960, our productive forces were severely sabotaged, but now our overheated economic development is based on the great expansion of productive forces. The present scale of our capital construction is still quite large, even after being reduced. During the 10 years since the 3d Plenary Session of the 11th CPC Central Committee, we have made readjustments on three occasions. Our economy as a whole was doubled ahead of time.

Two problems are liable to occur if we overestimate the difficulties. First, we might turn the clock back. Second, we might seek a prescription from the West, or indiscriminately copy the experience of the West. These two

methods will not work in China. The managers of the majority of large companies in the West are employed to administer the property of others. Enterprises are not their own private property. Do you not think that these enterprises are well administered? In view of the situation in our country, privatization cannot solve the economic problems which people are concerned about. Enterprises under public ownership can also be administered and run effectively. Public ownership has its merits. In a word, our reform can be carried out only on the basis of socialism. Persisting in diversified ownership systems with the public ownership system playing a dominant role, and embarking on the path of building socialism with Chinese characteristics, we will certainly be able to invigorate China.

Our communist party is doing things for the people wholeheartedly. It is striving for the invigoration of the Chinese nation. It has the ability to do all this well. During the 10 years of reform, the party and government have never let the people down. We must strengthen our self-confidence, and further inspire our enthusiasm. Last year we made overall progress rather than falling back, despite inflation. Of course, since the problems have occurred, we should face them squarely and handle them seriously. It is impermissible not to take measures to deal with these problems. As long as we adopt a down-to-earth manner in implementing the guiding principle adopted by the 3d Plenary Session of the 13th CPC Central Committee, and persist in the reform without relaxing our efforts or giving up half way, we will certainly be able to achieve results. In a word, the general situation of reform and opening up in China will not and cannot change. There is no need, or reason for us to change it.

Commodity Economy, 'Social Culture' Probed
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13 Feb 89 p 5

[Article by Gu Zuoyi (7357 0155 5030) and Tian Feng (3944 0023): "A Probe Into the Development of Social Culture in Townships and Towns Under the Conditions of the Commodity Economy—A Survey Conducted in Humen Town in Dongguan City, Guangdong Province"]

[Text] Humen Town in Guangdong's Dongguan City is situated at the mouth of the Zhujiang, facing the South China Sea. This is where Lin Zexu burned opium 150 years ago, which shocked the whole world at that time. Now in the eighties, this once poor and backward old fortress town has been advancing with the great tide of reform and opening up and has achieved vigorous development in its commodity economy. In 1987, its gross industrial and agricultural output value reached more than 200 million yuan and its per capita income reached 920 yuan. In the same year, more than \$23.29 million in foreign exchange was earned through exports.

The development of the commodity economy has changed the people's way of life and provided a material basis for a prosperous social culture. Over the past few

years, in order to suit the demands of the development of the commodity economy, Humen Town has made great efforts to blaze new trails in developing rural culture. Some initial results have also been achieved.

New Trends in the Development of Social Culture in Humen Town

The change in the economic mechanism naturally demands reform of the cultural structure and cultural system. Over the past few years, while vigorously developing the commodity economy, Humen Town has also made great efforts to promote the reform of the cultural system and management methods so as to improve the cultural quality of people and ensure the vigorous and healthy development of social culture.

—People are now paying more attention to the pursuit of knowledge in their cultural activities rather than merely pursuing amusement as they did in the past. At the beginning of opening up, people were fond of watching violent films and tapes. But now more people are interested in photography, literary creation, and painting. The phenomenon of Hong Kong and Taiwan music monopolizing the stage has been changed, and China's good songs and music often receive warm applause from the audience. Social dancing and light music have become their new hobbies.

—The expressive form of culture has been changed from the exclusive form of ballroom music and dancing to the various forms of family culture, enterprise culture, and social group culture. Television, painting, calligraphy, dancing, and attending concerts have also been introduced into the homes of ordinary people. In many enterprises, the building of cultural facilities, the development of all kinds of cultural activities, and the cultivation of an industrial spirit have become the workers' common practice. There are already nine cultural groups in the town, consisting of more than 350 members with different interests, hobbies, and special skills, and the number of these groups continues to increase. These cultural groups and activities at various levels are influencing and supplementing one another, thus bringing about prosperity to social culture.

In 1988, Humen Town won "four firsts" in cultural activities: First prize for children's drawings, first prize for seal cutting in a painting and calligraphy competition in Dongguan City, first prize for a family concert, and first place in the city's 1988 chess competition.

Social Culture Must Suit Modern Commodity Economy

At the beginning of reform and opening up, due to the development of the commodity economy, cultural development in Humen Town was once at a low ebb. This was not because the commodity economy repelled cultural development, but because the original cultural system and cultural structure did not suit the development of the commodity economy. Under the highly centralized

system of product economy, as culture was regarded as a kind of welfare work, a tool for a "political sermon," or a mere form of singing and dancing, people did not take a great interest in it, thinking that it was something they could do without.

As a matter of fact, the commodity economy, which is closely related to modernization and socialization, has an urgent demand for a social culture suited to its development. Judging from the situation in Humen Town, the vigorous development of the commodity economy has created conditions and provided opportunities for people to make contact with and understand more about the outside world; created a favorable social environment for people to renew their concepts; and made them more eager to pursue cultural knowledge, literary aesthetics, and both physical and mental recreation.

First, as a result of changes in the industrial structure, some new cultural consumers have emerged. Since introducing 243 labor-intensive "processing industrial" projects from abroad in the development of township and town enterprises and export-oriented agriculture, Humen Town has employed 40,000 workers from other interior areas, 90 percent of whom are young workers. As the energetic young people have a strong desire to pursue cultural knowledge, literary aesthetics, and physical and mental recreation and a strong demand for cultural activities, culture has become a necessity for the workers in recovering physical strength and a means to improve their quality and increase their competitiveness. Whether there is a good cultural environment has become an important factor affecting the "flow" of workers from other areas. When foreign businessmen come to discuss investment matters in a certain place, they usually do not only take into consideration the workers' work and efficiency but also their after hours consumer, cultural, and technological characteristics. It is thus obvious that cultural construction has become a "software" in improving the investment environment.

Second, as a result of the changes in life-style, conditions have been created for making the people's cultural life more colorful. With the development of the commodity economy, both the people's income and their consumption have greatly increased. Meanwhile, they have more time to rest after work. The past trilogy of "eating, working, and sleeping" has been gradually replaced by a concerto of working, having a rest, recreating, and seeking knowledge, and the people's demand for cultural life has developed from a monotonous and low-grade demand to a colorful and high-grade demand.

Third, the increase in the value of knowledge has become a motive force in the people's cultural pursuits. In order to develop export-oriented enterprises, it is necessary to seek every opportunity to produce "high-grade, precision, advanced, rare, high-quality, and special-purpose" products. It is necessary to import and make good use of advanced foreign technologies and equipment. All this

requires a good scientific and cultural knowledge. Culture and science can make people rich. This is a fact that people can easily see today. That is why more and more people crave knowledge.

The CPC Committee of Humen Town has a good understanding of the objective demands of the development of the commodity economy and has fully realized that the development of social culture is an important condition for the development of the commodity economy and a part of the efforts to create a good investment environment. For this reason, after carrying out a survey on the cultural demands and trends among the masses, the party committee urged people to break with the old cultural concepts and acquire the new concept of "working hard to attain substantial results and having somewhere to go to have fun and carry out wholesome recreational activities after work." They have increased their investment in cultural affairs year by year. In 1988 alone, they invested 6.5 million yuan in education and 2.6 million yuan in the building of a swimming center. In the past year or so, they have also invested 200,000 yuan in the building of a television relay station and 1 million yuan in a cultural center.

Use Culture to Promote Commerce, Use Commerce to Enliven Culture, and Establish a New Cultural Development Mechanism

Under the conditions of the development of commodity economy, the development of social culture is faced with two major difficulties: First, limited funds cannot satisfy the needs of the fast development of the social culture; second, the lack of pressure and vigor in the cultural units can easily result in a trend of breaking away from economic life and a trend of complacency and self-appreciation. The development of the commodity economy has become a challenge to this structure. It has also provided the conditions for smashing the trammels of the rigid structure and strengthening the vitality of social culture in its development. Motivated by the commodity economy, Humen Town has found a new path for "using culture to promote commerce and enlivening culture with commerce" and for linking the extensive cultural development with enterprises. The main feature of this new path is that industrial and commercial enterprises provide cultural departments with places and funds for carrying out cultural activities, and the cultural departments are responsible for the organizational work and guidance of cultural activities. Both the industrial and commercial enterprises and the cultural departments benefit from these activities: The former have their names made known to more people through such activities, while the latter are able to promote cultural activities with the economic assistance of the former. This solves the problem of the necessary material basis for social cultural activities. Moreover, social culture can more effectively serve economic work. The following are some concrete methods adopted by Humen Town in this respect:

First, they have combined cultural and commercial activities. Six hotels and guesthouses in Humen have established attached music halls and ballrooms, which are open every day. An average of 1,500 people go there every night to listen to music and dance. During the 1986 Mid-Autumn Festival, since 4 or 5 of the 10 cake shops in this town were selling moon cakes made by the same factory, there was sharp competition among them. In view of this, the cultural station of the town helped a restaurant promote the sale of moon cakes by composing some riddles for the names of the cakes and various dishes of the restaurant and sponsored a "prize-awarding activity to acquire food knowledge through guessing riddles." The activity was held for 3 successive nights. As a result, before the Autumn Festival arrived, all the moon cakes had been sold. This was the first time that moon cakes had ever sold so quickly in this town. At the same time, the restaurant's business was also promoted. In July 1987, the cultural station and the Longquan Guesthouse jointly sponsored a "Longquan Cup Spare-Time Singing Contest." After the contest, the guesthouse's business increased by 30 percent. During the Lantern Festival last year, the guesthouse again cooperated with the cultural station in sponsoring a "Longquan Cup Invitation Competition for Dongguan's Amateur Singers," which lasted 1 month and was attended by 330 amateur singers. Both the notoriety and economic returns of the guesthouse have thus been increased. At the same time, the people's cultural life has been enlivened and a number of literary and art talents have been discovered.

Second, they have connected culture with enterprises. Over the past few years, with the help and support of more than 50 enterprises, units, specialized households, and individuals, the literature, photography, folk art, and other associations (societies) in this town have carried out 10 major cultural activities. The funds for the 1988 "Dongjiang Cup photographic competition" and the "Mid-Autumn Festival prize-awarding activity to acquire food knowledge through guessing riddles" were provided by two enterprises, and the cultural departments were only responsible for the organizational work. A manager said: "It is worthwhile for enterprises to spend money on supporting cultural activities, for it benefits the public and also increases the celebrity of the enterprises themselves."

Through the Links of Nongovernmental Cultural Associations, Establish a Multilayered Cultural Structure Characterized by the Coexistence of Refined and Popular Cultures

At the beginning of opening up to the outside world, popular music from Hong Kong and Taiwan could be heard everywhere. The CPC Committee of Humen Town did not totally negate this music and felt uneasy. Instead, they held that such music could satisfy the people's cultural needs and could help enlarge the cultural circle. But as they also believed that as this music had a strong commercial flavor and was vulgar, they could not adopt a laissez-faire attitude toward it. Thus,

after popularizing common cultural knowledge, the task of correcting "inclinations" in the cultural structure became the order of the day.

The town party committee held that the past method of inculcation from above to below should not be carried on as before, and the method of "helping the shoots to grow by pulling them upward" should not be adopted. This is because cultural needs can only sprout spontaneously from among the masses, and cultural quality can only be increased step by step on the basis of self-pursuit and self-education of the masses. As a matter of fact, in the wake of the development of the commodity economy, changes are taking place in the cultural needs of the masses in Humen Town. Family cultural facilities are unable to satisfy the cultural needs of the people, and an increasing number of cultural activities are becoming group activities. In view of this, the town party committee and government quickly adopted suitable measures to create conditions for the development of all kinds of nongovernmental cultural groups and associations. In the past few years, nine associations (societies), including literature, photography, music, folk art, reading, and guitar associations, have been established in this town, with more than 350 members working on various fronts in both town and country.

These nongovernmental organizations have contributed to the socialization of cultural activity and created an environment as well as favorable conditions and opportunities for the masses to directly engage in cultural exchanges and creation. What is more, they have promoted the development of social culture and increased the cultural quality of the masses. For example, the number of members of the literature association has increased from 30 to 130 over the past few years. Among them are old peasants and youngsters from middle schools. The association is publishing a small journal named HU XIAO [THE ROAR OF A TIGER], which has carried nearly 200 articles by its members. It has also held three literary competitions in the past 3 years, soliciting nearly 1,000 articles. In the past year or so, some 100 articles have been published by the city- and higher-level newspapers.

Enliven and Manage Well the Cultural Market

Under the conditions of the commodity economy, if we do not develop the cultural market, which provides people with spiritual products and cultural and recreational services in the form of commodity, not only will it be difficult to greatly develop cultural affairs, but it will also be difficult to satisfy the cultural needs of the people. For this reason, Humen Town encourages all individuals, foreign businessmen, and collectives to promote cultural development. At present, there are 8 book and newspaper stands, 6 music and dance halls, 2 theaters, 28 billiards rooms, 5 video rooms, a laser cinema, a gymnasium, a cultural center, 3 television game rooms, and a workers' cultural palace in this town. The cultural market is brisk.

The nature of socialist culture decides that it not only stresses economic returns but also stresses social results. Therefore, it is not only necessary to enliven the cultural market but it must also be well run. Running the cultural market well means that we must find a point at which economic returns and social results can be combined. Through their practice of the past years, the leaders of Humen Town have found a combining point, that is, "construction." They hold that management first means construction. If we regard management merely as forbidding, closing, and banning, we can only harm the market. The best methods of management are serving, supporting, guiding, and regulating the market. In this respect, their main methods are as follows:

First, increase the masses' cultural quality and ability to appreciate. Since 1987, they have invited eight well-known young writers of the province to give lectures in the town and have run several literature classes during the summer holidays. The Literature Society has often held "literary salons" to study new writers and new works. It has also invited more than 10 veteran writers and editors to speak at town forums. The Photographers Association has established contacts with well-known provincial and Hong Kong photographers and helped its members to broaden their field of vision. At the same time, it has run some classes to train photography lovers. The Folk Art Association has been running small music classes in the cultural station almost every weekend. Its members have often discussed the art of performance with actors. To promote dancing, it ran several social dance classes in 1987, which were attended by more than 300 people. Through these activities, the people's cultural and appreciation levels have been raised, and the market of vulgar culture has been narrowed.

Second, establish and perfect the cultural management organs. With the brisk development of the cultural market, it is natural that some unwholesome cultural activities for the sake of economic returns have also emerged. Thus, it is necessary to establish some systems and regulations to curb such phenomena. Over the past few years, Humen Town has attached great importance to this. They have established some cultural management organs and appointed personnel specializing in cultural management to these organs. They have also worked out a series of cultural management regulations to suit the cultural developments in the town. By implementing these measures, cultural management has been further improved, which is conducive to rectifying unhealthy phenomena and ensuring the healthy development of the cultural market.

BEIJING REVIEW on Trade Unions
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["As China's reform programme penetrates ever deeper, the country's trade unions have become increasingly involved in the day-to-day management of enterprises, helping to raise productivity and defusing potential conflicts. Following are reports based on interviews with trade union leaders from across the country. They talked to "BEIJING REVIEW" about developments and changes in their work." By our staff reporters Yang Xiaobing and Feng Jing—BEIJING REVIEW editor's note]

[Text] The Changchun No 1 Auto Factory is an old but key enterprise in China's truck manufacturing industry. Constructed with the help of the Soviet Union in the 1950s, it now has a total workforce of 80,000 people spread across 26 departments. On yearly sales of 2 billion yuan, it generates profits of around 400 million yuan.

Since 1983, the factory has been manufacturing a new range of heavy-duty trucks, ceasing production of all older models in 1987. Now, the possibilities of moving into car production are being examined.

Wu Wei, chairman of the factory's trade union, said his organization's work couldn't be separated from the factory's central tasks. One of these tasks is developing the workers' role as masters of their factory. The principal organs through which they participate in management are the factory's workers' congresses, which exist in every department. Around 7-8 percent of the workforce serve as representatives on these congresses.

Factory-wide congresses are held twice a year, with occasional special congresses in between. At these congresses, the factory's director gives economic progress reports and the workers discuss future production and operating plans.

In 1987, the factory director proposed a series of economic measures aimed at increasing output by 30 million yuan. At a workers' congress, however, many people thought the target had been set too low. They proposed raising it to 100 million yuan. After consulting the financial department, the director revised the figure upwards. With their own suggestions incorporated, the workforce not only realized the planned increase, but surpassed it by another 20 million yuan.

Among the union's other roles are examining all rules and regulations issued in the factory, and checking, supervising and appraising management. Twice a year, the factory workers assess the performance of their cadres through a combination of examinations, comments from the factory floor and inspection groups. Cui Mingwei, director of the auto-body department, is given the title "close friend of the workers," for his strong sense of responsibility and his concern for the workers. While those with below par performances were singled out for criticism. As the workers frequently point out, the factory still belongs to them, not the directors, even if the latter have had their decisionmaking powers increased through the director responsibility system.

The trade union constantly strives to reinforce this point, running publicity and propaganda campaigns with slogans such as, "The workers are the masters of the factory: We all share its common destiny." It also plays a role in overcoming production problems. For example, when the factory started manufacturing its new range of trucks in 1983, its technology and senior workers' associations held 80 competitions and established 351 key

task teams to help solve 3,718 key technical problems. After much hard research, one technical association team even came up with an invention for an engine which didn't leak kerosene.

Wu Wei said that the union's work and responsibilities had changed in recent years. Previously it concentrated on the problems faced by individuals, such as dissatisfaction with living conditions or wages, often doing little more than reporting the case to the factory director. Now, however, as the union participates in the allocation of the company's profits to be retained for its own disposal, it actively campaigns for more general interests: Asking for extra money for housing, education, a cinema, dance hall, swimming pool, or whatever is deemed desirable.

"But," Wu reminded, "the factory intends to start producing cars to help China cut foreign imports. This is going to need a large amount of the state capital, and raises the problem of co-ordinating the long-term interests of the state and company with the short-term interests of the workers. One of the trade union's major tasks is explaining these kinds of problems."

Mediation

Gu Suhua is the chairwoman of the city trade union in Mudanjiang, Heilongjiang Province. She relates the story of how a union in Dongning County overcame a series of problems brought on by the lack of democratic consultation in a local enterprise.

The department responsible for the company had put it out for tender and selected a management contractor without soliciting opinions from the workforce. A series of production problems rapidly emerged, bringing the company to the brink of closure. When both the company and the county trade union drew the case to the attention of the county government, it decided to invite a series of new management tenders. All of them were fully discussed by the workforce through their union. With factory-wide support, the second contractor has now turned the company round.

In April 1988, Mudanjiang City began to introduce contract and lease reform. Gu Suhua believes that unions must play a major role in overseeing these reforms.

Already the city's authorities have taken up the union's suggestions that its chairman attend all meetings and discussions on contract and lease reform, and before any measures or programmes are initiated, the union's opinions should always be solicited. The local authorities have also accepted the union's proposal that a contractor should receive a 60 percent vote of confidence from an enterprise's workers' congress before being approved.

Last April, one of the city's colour sheet weaving factories was put out to tender. The minimum annual profit was set at 400,000 yuan. The factory's former director

said he could earn 450,000 yuan, but its former deputy director, Li Shuhua, put forward the seemingly impossible figure of 1.6 million yuan. At a special workers' congress, they both laid out their plans to the 1,600 workers'. In the ballot that followed, Li Shuhua picked up more than 80 percent of the vote. Although the assessment committee feared he had overestimated the factory's earning capacity, they decided to respect the workers' opinions and duly installed him.

Zhang Shilun is famous throughout China as an enterprise contractor. Among his business interests are a rubber plant and the Haihe plastic materials factory in Tianjin. He believes that the relationship between a contracted management and a trade union should not be antagonistic: The union has to represent the interests of the workers, but simultaneously support the central position of a factory director. For his or her part, the director has to fully respect and support the work of the trade union.

Zhang says that in his factories, all matters concerning the interests of the workers are discussed at workers' congresses, and any measures passed by a democratic vote are resolutely carried out. At his Haihe factory, the trade union has nine inspection groups to ensure all management is performed democratically, including an audit group supervising the distribution of bonuses and a notarization group for checking the performance of contracted managers. In both of his Tianjin factories, output value and workers' incomes are now the highest they have ever been.

With the workforce behind him, Li set up about increasing efficiency and making the factory's products more competitive. Senior workers offered him designs and patterns they had accumulated over the years, and to fulfil production quotas ahead of time, the union organized a series of output competitions. Just four months after being appointed, Li's company had earned profits of 1 million yuan, which were estimated to have risen to 2 million yuan by the end of 1988.

Trade unions in contracted or leased enterprises are incorporated into decision-making structures: They play a role in determining the allocation of funds and the arrangement of working schedules. The enterprises have no rights to appoint or dismiss union chairmen, who are always selected through democratic elections, nor can they decide to abolish the union.

Defusing Conflicts

In the day-to-day work of an enterprise, its union plays an invaluable role in defusing conflicts between the management and the workforce. Wang Junming, the union chairman in Huaihua Prefecture, Hunan Province, offered an example of union mediation following an incident at a local sheet factory last April. Around 80 workers had stopped work following disagreements with the contractor. A quick investigation revealed that when

the factory had been contracted out in March 1988, its new work programme had not been passed by the workers' congress. The contractor had then gone on to cancel labour insurance and welfare benefits previously enjoyed by the workforce.

Backed by the Hunan Province Trade Union, the local union persuaded the workers to return to work, and then set about ensuring that the workforce's interests were fully respected. The matter was resolved and full production resumed. As one of the workers commented, "Our union has spoken for us. We now know it's our organization which we can rely on."

Women's Rights

In Nantong City, Jiangsu Province, women make up 38 percent of the total workforce of 810,000 people. Safeguarding their interests has become a major part of the local trade union's work.

The major problem remains overcoming prejudice against employing women workers. One enterprise, for example, decided it needed an extra 50 workers. But when the city's Bureau of Labour insisted they take on more women, the factory's management declared they would rather not hire any workers for the next two years than employ a single woman.

Following this statement, the city's trade union received many letters from women workers across Nantong appealing for aid. In response, it promptly organized a meeting to discuss the role of women in the workplace, inviting representatives from the municipal party committee, the local People's Congress, the Nantong Economic Commission and Science and Technology Commission, other units and enterprises directors. It arranged for a dialogue between the city's mayor and women, and its chairman gave a speech on women's rights to the standing committee of the local People's Congress.

A series of investigations conducted by the trade union revealed that enterprises employing a large proportion of women workers fared rather worse than those employing more men. For example, in one of Nantong's textile mills with a high number of women employees, medical fees of 28,000 yuan and maternity pay of 35,700 yuan had been paid out to 229 pregnant women in 1987, even without taking production losses into account.

To overcome these kinds of problems, the trade union suggested establishing a maternity compensation fund. Money would be drawn from all enterprises, regardless of how many women they employed, and then used to reimburse companies with women on maternity leave.

The union drew up a draft series of measures, which it passed on to the municipal government, leading to the establishment of the fund last July. Already it has had a

tangible effect. The city's bank, for example, was formerly reluctant to hire women. By the end of August, however, its workforce contained equal numbers of men and women.

Understanding

Yue Kui is the deputy director of a radio cassette recorder factory affiliated to Sanyo in the Shekou District of Shenzhen City. He is also chairman of the factory's trade union. With a workforce of some 700 workers, the factory produces 600 portable stereos and several thousand cassette players daily for export to the United States, Britain, France and several other countries.

During its first few months after opening in 1984, the factory suffered frequent conflicts between the workforce and the management. An organization was urgently needed to represent the interests of its workers. As Yue, aged 40, was the factory's oldest worker, he was elected chairman of its trade union, and ever since has carried out his duties in his spare time.

In early 1987, all the unions in Sanyo's nine Chinese factories combined themselves into one large union. Sanyo's local general manager praised this move, but when their head office in Japan was informed, they expressed reservations that a high-level employee also represented the trade union. But having witnessed its positive role in the factory's management, they have changed their opinion.

Yue says trade unions can help foreign managements gain a better understanding of China's conditions. In early 1988, the workers in his factory had clearly lost their enthusiasm—many of them had even stopped working altogether. Overseas managers, unclear of the underlying reasons, were unsure how to deal with the problem. Union representatives, however, explained the effect inflation was having on the workers' pay packets. The company then raised wages all round, promoting every worker one wage grade and increasing its gross payroll by 40 percent. At the same time, it began to hand out subsidies to offset price rises in non-staple foodstuffs. Morale leapt dramatically, and so did productivity—it now stands 140 percent above the required norm.

The factory management now always solicits the trade union's opinions before making any major decision, and at its suggestion has followed the example of some Chinese enterprises and started allocating bonuses for surpassing quotas.

The trade union has assumed responsibility for handling problems faced by its members outside of work. For example, the management made no arrangements for workers' dormitories and dining halls. But as most workers in Shekou come from other parts of China, they have no proper homes to return to after work. Later, with the help of the union, special arrangements were made to lay on recreation and sports activities.

To safeguard the workers' legitimate rights and interests the trade union has prepared a detailed introduction to labour insurance and welfare regulations in China for foreign companies, and helped them set up a welfare and insurance system suitable for foreign-funded enterprises. In Yue Kui's factory, no worker can work more than two hours overtime a day, and overtime rates are generous.

Workers' study threw up a problem which the union has helped resolve. Although night schools and part-time universities always run their classes after work hours, their examinations take place during the day. Initially, the management was reluctant to allow workers time off for these exams, but after Yue and some of his colleagues explained the benefits of a better qualified workforce, the company actively began to encourage workers to take courses in subjects such as foreign languages, accountancy and electronics. Now, 300 workers are engaged in one form of study or another, and 30 percent of the factory staff at group leader level and above have acquired secondary school or higher education qualifications.

Unions & the Law

Guan Huai, professor of the science of law at the People's University of China, has served as an executive member of the All-China Federation of Trade Unions (ACFTU) for two terms, as well as being its principal legal adviser. He feels that as important social and political organizations, trade unions should play a major role in the drafting of laws and regulations.

In fact, China already consults trade unions when drafting new laws and regulations. For example, during the ten years it took to prepare China's Enterprise Law, the National People's Congress [NPC] repeatedly sought the opinions of unions across the country. However, when the final draft was published in January 1988, there was no clause explicitly stating workers' status as masters of the enterprise. Some people immediately criticized the draft as a law for directors only.

At an ACFTU symposium organized to discuss the draft, Guan Huai and other participants argued that the Enterprise Law should clearly define the workers' position as owners. When GONGREN RIBAO (WORKERS' DAILY) reported the symposium, many people sent in letters of support. As a result, the NPC revised the draft to include the recommendations of the ACFTU.

Recently, trade unions have been opening workers' legal consultancy offices across China. There is now at least one in every province, autonomous region and municipality. In northeast China, where work began early in this field, many unions have opened such offices at county level. Among their tasks are informing workers of their legal rights during factory tours, and pursuing lawsuits on behalf of workers. ACFTU has said it aims to have legal consultancy offices set up in every trade union at county level and above within five years in order to protect the rights and interests of all working people.

Guan Huai maintains that trade unions can play a major role in the construction of China's legal system. He points out that the current lack of labour law means workers can be exploited without the possibility of legal redress. For example, directors in contracted enterprises can arbitrarily increase overtime or dismiss workers in pursuit of short-term profits. With no law to back it up, a union cannot step in and support its members.

The Ministry of Labour and the ACFTU have now been drafting a full series of labour laws for ten years. But as the kinds of enterprises expand—state-owned, collectively managed, individually operated, etc.—so do the problems in making the law comprehensive.

Trade unions themselves also urgently need legal protection. China's existing union law was promulgated in 1950, and its articles clearly do not suit today's needs. Until a new series of union laws comes into being, there will continue to be no explicit statements defining the principles, rights, duties and powers of unions. A new draft of the Trade Union Law drawn up by ACFTU has already been revised 20 times following consultations with workers and their representatives. It should be submitted to the NPC for examination and approval later this year.

10 Million Tons of Grain Imported Annually
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24 Feb 89 p 2

[By staff reporter Wu Yunhe]

[Text] China has become one of the largest grain importers in the world, CHINA DAILY learned yesterday.

This country has been importing about 10 million tons of grain annually as a supplement to its domestic grain supply over the past several years.

However, last year's harvest was below the government's target; and China's population continued to grow. These factors increased China's grain import needs, according to the China National Cereals, Oil & Foodstuffs Import & Export Corporation.

China harvested 393.8 million tons of grain last year, 9.2 million tons less than in 1987, according to the State Statistical Bureau.

Chinese Premier Li Peng recently noted that China produces an average of less than 400 kilograms of grain per year for each person.

"Wheat is the major item that we have to import from abroad every year," said Li Guofeng, general manager of the Import Division under the China National Cereals, Oil & Foodstuff Import & Export Corporation.

He added that China needed more grain imports, especially wheat, after the shortfall in its 1988 harvest. This trend may cause this country to replace the Soviet Union as the largest grain importer in the near future.

Last year the corporation did import a large amount of grain, he said.

China is also the largest grain producer in the world, the official said. It had planned to produce 450 million tons a year by the end of 1990.

But the country's annual grain output has not kept pace with its population growth. In 1965, China had a population of about 700 million, while its total output of grain was 194.55 million tons. In more than 20 years, the country's population has increased by more than 300 million, but its total grain output by last year had only shown an increase of about 200 million tons as compared with 1965.

The Soviet Union has a population of only about 270 million, but is still imports a large amount of grain despite an annual grain output of about 200 million tons, according to Li Guofeng.

The Chinese Agricultural Ministry blamed last year's poor crop on natural disasters and the lack of enthusiasm among farmers for grain production. Farmers are losing interest in grain production because of its low profits.

However, a recent official survey of 2,000 farm households showed that much grain was lost in the course of gathering, threshing, drying and transportation. About 20 per cent of harvested grain was lost in the post-harvest stage. Yet, this loss could easily be avoided with the introduction of simple technology and better management, according to the survey.

Another reason for more than half the reduction in output is the drastic shrinkage of farmland, according to a senior official from the Agricultural Ministry.

The State Land Administration reported that 440,000 hectares of arable land was lost to industry in 1988, 480,000 hectares in 1987.

Pensions Fail to Match Inflation, Price Hikes
HK2402004889 Beijing CHINA DAILY in English
24 Feb 89 p 1

[By staff reporter Gu Chengwen]

[Text] The Chinese Government spends more than 20 billion yuan each year in pensions and subsidies for 20 million retirees. This does not include the cost of their medical treatment and the pensions of retired service men and women.

But some retirees are suffering a drop in their living standards, said Liu Chengquan, deputy director of the Retirement Department under the Personnel Ministry.

Liu told in an interview that those who retired 10 years ago still have low-income pensions because the average wage level was much lower at that time.

Many of these people are in real difficulties because of rapidly rising prices.

In recent years, the national wage average has risen steadily. People who have retired since 1985, when a national wage reform was carried out, are receiving a higher pension, because a pension is a proportion of the retiree's original wages.

Pay and bonuses keep getting higher, but retirees' pensions remain unchanged.

Liu said the State is planning to improve these people's lives.

At present, nearly every government organ and business has a department to take care of retirees.

State policy also permits retired technicians and professionals to take on another paid job.

But it does not allow retired government officials from county level or above to engage in business after retirement. The policy-makers fear these people may use their former influence and connections to engage in profiteering and illegal activities.

The State policy has divided the retirees into two parts.

The 1.51 million retirees who had joined revolutionary work before the founding of the People's Republic get a full percentage of their original wages and a lot of other welfare benefits. Another 700,000 of this type of worker will retire within the next four years.

Those first listed in the State payroll after 1949 get a pension of only 60 to 75 percent of their original wages. These 3.18 million retirees also receive social welfare treatment, but on less favourable terms.

Liu said the number of retirees is increasing at an annual rate of 1 million. A retirement peak is expected within 10 years.

Most retired people get their pensions from their original work units, he said. So the burden of older businesses and government institutions is becoming heavier.

An insurance system is being tried out to reduce this burden.

Liu pointed out that China has set the retirement age at 60 for men and 55 for women. However, he said, this is not strictly carried out in some places.

The fact is the later you retire, the more pension you get because wages are rising.

Many retirement problems will be solved with the complete implementation of the civil service system and with a successful social insurance network, Liu said.

Daily Proposes Independence for Central Bank

OW2102090789 Beijing XINHUA in English
0817 GMT 21 Feb 89

[Text] Beijing, February 21 (XINHUA)—The central bank should be made independent of the government if the country is to check the excessive issuing of bank loans which causes inflation, a "GUANGMING DAILY" article proposed.

The article noted the problem of excessive issuing and seeking of loans lies in the fact that banks and enterprises are virtually "owned" by governments at various levels.

The paper explained that China's state ownership has actually evolved into government ownership. Enterprises are government-owned because an enterprise is created by a government body at a certain level, its management goals are closely linked with the latter's, its income is mainly at the disposal of the latter, its managers are appointed by the latter and its losses are covered by the latter.

Because of this, many enterprises first contact the government when they want bank loans.

The loans they get via government leaders of course do not entail much responsibility for them. And because of such government ownership, the major means of checking enterprises' demands for loans—raising a mortgage on their assets—is therefore meaningless. The mortgage system would be like using government (or state) assets to seek loans from the bank, which is also owned by the government (or state).

While the central bank is subordinate to the central government, specialized banks are largely at the disposal of governments at corresponding levels. These "owners" are able to extract loans from the banks, but are free of worries about the results.

Therefore, the main thrust in addressing these problems must be making the central bank independent of the government, according to the article.

It should be subordinate only to the National People's Congress' Standing Committee. The amount of money to be issued by the bank should be decided only by the financial commission to be set up within the committee.

In this way, the article said, the size of loans and the amount of money issued in a year will not spin out of control.

Meanwhile, specialized banks should be operated under a contract to produce a certain profit.

They would be forced to pay attention to their loans. They would more careful when considering whether to lend money to poorly managed enterprises.

Also, specialized banks' branches should be free of local government interference, the paper said. This can be done by depriving the government of the power to appoint bank heads. They should be selected through open bidding.

The article described the two steps as setting up two dams in the course of money supply. The independence of the central bank would keep the money supply within an acceptable range and the contracts of specialized banks would ensure rational lending practices, he [as received] concluded.

This would remove the two basic causes of inflation: the excessive issuing and the ineffective use of bank loans.

Individuals Given More Scope for Cash Trading

HK2002064289 Beijing CHINA DAILY in English
20 Feb 89 p 2

[By staff reporter Liu Hong]

[Text] Individuals are to be given wider scope to trade on foreign exchange markets in China this year because of the success of limited experiments which have been allowed so far.

This was announced by the director of the State Administration of Foreign Exchange Control, Tang Gengyao, at its annual conference which ended in Beijing on Saturday.

Individuals were first allowed to take part in foreign exchange transactions in Ningbo, Zhejiang Province, in the middle of 1987. In 1988 this was extended into the special economic zones of Shenzhen and Xiamen, Quanzhou, Fujian Province, and Wuhan, Hubei Province.

The business is operated by the administration's local branches and the currency transactions are limited to U.S. dollars, Hong Kong dollars, Japanese yen, West German marks, French francs and pounds sterling.

Overseas Chinese are allowed to trade in foreign exchange on the local money markets when the transaction is of economic help to the mainland towns their families came from. Mainland Chinese though are only allowed to buy money on the markets to cover the cost of taking language examinations.

An official from the administration's Wuhan branch told CHINA DAILY that \$106,992 changed hands in deals among individuals between August and December last year on that market.

The current price there averages 6.85 yuan for one U.S. dollar when buying and 7.1 yuan for one U.S. dollar when selling, he said.

Tang Gengyao said the nation's foreign exchange savings had increased after last year's effort to maintain a grip on imports. Foreign exchange earnings increased over the planned target by 17.9 percent, a 13.5 percent jump over 1987.

Spending of foreign exchange went over the planned target as well, by 12.1 percent, a 17.1 percent rise over 1987. But in spite of this, foreign exchange income still exceeded spending.

Official on Computer Software Protection Plans
OW2302013289 Beijing XINHUA in English
1314 GMT 22 Feb 89

[Text] Beijing, February 22 (XINHUA)—China is drafting rules to protect computer software and ban illegal copying as part of its efforts to safeguard developers' interests, a government official announced today.

Yang Tianxing, deputy director of the Computer Department of the Ministry of Machinery and Electronics Industries, said: "As a government department responsible for this field, we fully acknowledge that copyright protection is a prerequisite for the development of China's software industry.

"We will do our best to work out rules and regulations for software protection," he said at a press conference on Sino-American cooperation in software.

He noted that software is a special product that is hard to develop and easy to copy. Developers' efforts will come to nothing if their interests are not protected.

Speaking about the development of a Chinese version of Dbase-4 software, he said users should respect the copyright in accordance with the contract. They should not copy at will.

He urged the press not to advertise software products that are not registered in the country.

China's software market, he said, has a bright future in prospect because a large number of users need advanced software for their work.

Reasons for Salt Shortage Examined
HK2302065189 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0927 GMT 22 Feb 89

["Special feature" by Jing Wen (5427 2429): "A Perspective on the Salt Shortage on the Mainland"—ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 22 Feb (ZHONGGUO TONGXUN SHE)—In 1988, a salt shortage of an unprecedentedly large scale broke out on the Chinese mainland. In 1988, the social demand for salt on the mainland was 21.5 million tons. However, the actual supply of salt was only 18 million tons. The shortfall of 3.5 million tons was indeed an unprecedentedly serious one in the 39-year history of the PRC. During each spate of panic buying that took place last year, salt was not spared. Moreover, in 1988 industrial enterprises also did their utmost to scramble for salt on the market with residents. This situation became really serious.

People cannot live without salt. The peasants of Zhejiang Province made it clear that "if no salt is sold on the market, no grain will be sold to the state;" the people in a certain county in Anhui Province took down the signboard of their county people's government and threw it onto the ground because they were angry about the salt shortage; and Nanjing City People's Government received over 100 telephone calls a day, all complaining about the salt shortage. Because all areas of the mainland tried their best to transport salt from salt manufacturing bases, unprecedented pressure was added to the already overloaded transportation system, thus increasing the factors for social unrest.

This unprecedented shortage was not caused by a lack of salt resources, since the mainland is rich in sea salt, lake salt, and mineral salt resources, which are also well-distributed. The proven mineral salt deposits total 470 million tons; the proven lake salt deposits total 200 billion tons; and, since it has a 10,000-li coastline, Mainland China still has great potential in extracting sea salt.

Why did the mainland, which is rich in salt resources, suffer such a serious salt shortage? In order to find an answer to this question, we must carry out a careful study of the industrial policies of the mainland.

At the beginning of 1949, the amount of salt consumed by industry on the mainland accounted for some 6 percent of the total amount of salt on the market. However, this figure rose to 51 percent in 1986, exceeding the amount of salt consumed by residents for the first time. This shows that salt has been turned from a daily necessity of mainland residents into an important industrial raw material. However, while salt is playing a more and more important role in the mainland's national economy, the position of salt has been downgraded. Salt is not only an important means of subsistence, but also an important raw material for caustic soda- and soda

ash-manufacturing industries. For many years, the mainland has lacked caustic soda and soda ash and has had to spend several hundred million U.S. dollars each year on importing caustic soda and soda ash from abroad. Therefore, it is quite natural that the state has decided to increase its investment in the development of caustic soda- and soda ash-manufacturing industries during the Seventh 5-Year Plan. What people cannot understand is that while stressing the importance of the development of caustic soda- and soda ash- manufacturing industries, China has set little store by the development of its salt industry. It seems that the current situation with regard to its salt industry is like "cooking a meal without rice." In the last 10 years, the mainland has made very little investment in the development of its salt industry. During the Sixth 5-Year Plan, due to the high yield of sea salt, China, for a time, found it difficult to sell its salt. Therefore, the department concerned acquired an erroneous understanding of the situation and decided to "restrict" the development of salt production. Over the past 5 years, China has made virtually no investment in its salt industry. As a result, the area of salt pans has decreased. A large number of workers have left the salt industry for other trades and professions. Thus the entire situation has changed, throwing China deeper and deeper into passivity.

During the same period, the mainland has also regarded salt as a "political commodity" and has sold salt at very low prices in order to demonstrate the "superiority of socialism." Since 1949, and especially over the past few years, the prices of all commodities have gone up. However, the price of edible salt has been lowered five times. The producer price of 1 jin of sea salt is now a little over 2 fen, which is lower than the price of a bowl of boiled water. On the one hand, China has exercised strict control over salt prices; on the other hand, it has levied heavy taxes on its salt industry. Low prices and heavy taxes have forced salt manufacturing enterprises to repeatedly cut their production costs. In consequence, repair work and technological transformation have not been carried out on the original salt pans for many years running. The power equipment of the salt pans has also become outdated and has even operated below capacity. The losses suffered by the salt industry and the sharp contrast between low salt prices and high prices for caustic soda and soda ash have seriously dampened the enthusiasm of salt workers.

This is why a salt shortage of an unprecedentedly large scale finally broke out on the mainland in 1988. At present, both central and local governments are making great efforts to guarantee the market supply of edible salt and have adopted a series of policy measures to this end. Thanks to the efforts made by central and local governments, the market supply of edible salt has now been stabilized. However, in order to fundamentally solve the problem of salt shortages, the mainland must adopt forceful measures to promote the development of salt production. The current campaign to improve the economic environment and rectify the economic order

provides the mainland with a good opportunity to readjust its policy in this regard.

Seminar Analyzes Enterprises' Problems
HK1902084289 Shanghai SHIJIE JINGJI
DAOBAO in Chinese 6 Feb 89 p 6

[Report by Chen Lebo (7115 2867 3134): "The Crisis Facing Township and Town Enterprises Is Impacting on the Whole Society"—first paragraph is SHIJIE JINGJI DOABAO introduction]

[Text] Township and town enterprises today are not like small-scale workshops of the past where work was done by hand. They have an important bearing on the prosperity of society, the development of the commodity economy, and the success of the current retrenchment policy.

Several days ago this newspaper and the Zhejiang Provincial Asia-Pacific Research Institute jointly sponsored in Hangzhou a "seminar on the question concerning township and town enterprises." Economic experts and responsible cadres from the two provinces of Jiangsu and Zhejiang attended the seminar and conducted a wide ranging discussion in conjunction with the specific conditions of their localities.

At the seminar it was pointed out that township and town enterprises have been in a difficult situation since the implementation of the retrenchment policy. Forty percent of township and town enterprises in Hangzhou and Haining Cities of Zhejiang Province have been seriously affected, and some have even gone bankrupt. The situation in Jiangsu Province is more or less the same. However, what the seminar was more concerned about was a widespread chain reaction resulting from this situation. For this reason, the participants provided the following basic facts:

- The output value of township and town enterprises in Zhejiang Province accounts for 53 percent of the province's industrial output value, and their income accounts for one-third of the province's revenues. Their difficulties are bound to impact on the province's work.
- From 1981 to 1985, the funds provided by township and town enterprises in Wuxi City for agricultural purposes exceeded Jiangsu Province's financial expenditures for farmland irrigation facilities. If the township and town enterprises are unable to look after themselves, one necessary result will be a decrease in agricultural input.
- Two-thirds of rural laborers are working in areas where township and town enterprises have been most seriously hit. Hardly any of them can return to their farm work. If these township and town enterprises close down, a large number of unemployed workers will cause a serious social problem.

Comrade Yuan Zhang from the research institute of the Jiangsu Provincial Economic Planning Commission pointed out: The real situation in Jiangsu Province from

1978 to 1986 indicated stable relationships between the development rate of township and town enterprises and various social expenditures. Expenditures for repaying debts (including bank loans) and maintaining simple reproduction accounted for 15 percent; expenditures for paying state taxes accounted for 5 percent; expenditures for solving local financial demands and the needs of local scientific, educational, cultural, and health work accounted for 5 percent; expenditures for expanding enterprises' reproduction accounted for 5 percent; and expenditures for improving enterprises' employees' livelihood accounted for 5 percent. The annual increase in output value should be maintained at 35 percent to meet all these demands. Comrade Yuan Zhang further explained: In many localities township and town enterprises are developing at a high rate. Now we want to reduce this high development rate, so we must make proper arrangements in all aspects of society.

What should be done to prevent upheavals in the fields of industry, agriculture, science, education, and public health? The participants pointed out: In the present situation efforts should be focused on "Singing the 'Internationale,'" which means that one must rely on his own efforts. At the seminar efforts were focused on how to carry out work when the retrenchment policy remains unchanged. Some experiences and ideas proposed at the seminar drew the participants' attention.

At the seminar the idea of experimenting with an all-personnel mortgage contract was proposed. Township and town enterprises are facing a shortage of liquid funds. Therefore, in raising funds, many localities are either implementing the shareholding system on a trial basis or delaying the repayment of their loans. Yancheng City in Jiangsu Province is experimenting with an all-personnel mortgage contract, thereby combining fund raising and the contract system. The money mortgaged can be obtained according to the percentage of the net value of fixed assets, can be linked to the contracted profits, or can be deducted from the contractor's wages. Interest will be provided for all mortgage money according to bank interest rates. Twenty percent of enterprises in Yancheng are using this method, and the city is ready to popularize this method among 50 percent of its enterprises. Only enterprises that have long been unable to issue wages find it difficult to carry out this method.

At the seminar it was suggested that the government claim arrears on behalf of enterprises. Delayed repayments of debts have long constituted a headache to many township and town enterprises. This is even more so under economic retrenchment. The experience of Xiaoshan City in Zhejiang Province is that the government claims arrears on behalf of enterprises by inviting lawyers to persuade the banks and industrial, commercial, and financial departments to comply. Since last June, Xiaoshan City has made great efforts to settle the debt problems. So far 70 percent of its arrears have been recovered.

Also suggested was establishing township enterprise banks. This proposal was made by the Zhejiang Provincial Asia-Pacific Research Institute, one of the seminar's organizers. Reference material provided by this research institute revealed that many countries in the world take the development of small- and medium-sized enterprises as a major measure for building their economies and stabilizing their societies. Japan, South Korea, and Taiwan have set up special banks for this purpose. Banks in Hong Kong and the United States have opened special services to provide preferential loans for small- and medium-sized enterprises with special consideration for interest rates, repayment periods, and loan quantity. The Japanese and U.S. Governments have also set up a credit guarantee system to assist small- and medium-sized enterprises obtain loans. Therefore, we should at least provide a policy to allow peasants to use idle funds in society for their purposes.

The participants unanimously objected to regarding township and town enterprises as workshops. Through tempering for almost 10 years, two development orientations have emerged in township and town enterprises in Jiangsu and Zhejiang Provinces. One is that these enterprises have developed toward an economy of a certain scale and intensive production. The production scale, technology, equipment, and management of many township and town enterprises have reached and even surpassed the highest levels of enterprises under all-people ownership. The other one is that more and more of these enterprises are being run at the village level or by individuals. They are providing many services on different scales for society. As a result, many local governments have proposed the adjustment policy of "making a leap after maintaining a stable footing." But some departments in charge of economic work have not done well. When cotton and silk output rises, they encourage localities to run small silk factories and cotton mills to help the state with its "assimilation." Once silk and cotton fall short of supply, they will close down these factories on the pretext that these factories "have constituted excessive waste." They always consider township and town enterprises "unorthodox." This indicates that many comrades lack a profound understanding of China's social conditions and do not have much confidence in the commodity economy. If this situation is allowed to continue, the retrenchment policy will cause a "downward slide" instead of a "speed reduction," and we may experience again the failure we experienced in 1985.

Paper Reveals Chemical Fertilizer Scarce
OW2302020889 Beijing XINHUA in English
1318 GMT 22 Feb 89

[Text] Beijing, February 22 (XINHUA)—As China strives to boost grain production and agricultural development as a whole, it is plagued by a shortage of chemical fertilizer and continuing rises in its price.

The "ECONOMIC DAILY" says today that China, believed to be one of the world's biggest producers of chemical fertilizer, produced some 83 million tons, a 3.3 percent increase over 1987, but the total demand was not satisfied.

The paper predicts that the shortage of chemical fertilizer will persist for the next couple of years. Statistics indicate that the demand will keep growing at the rate of 4 million to 5 million tons a year.

It is estimated that, by 1990, the paper says, a total of 110 million tons of chemical fertilizer will be needed a year in China, but the country has a supply of only about 80 million tons.

Farmers also complain about the price of the fertilizer, which has kept rising in recent years.

The paper blames the rises mainly on profiteering by some marketing companies.

It cites a case in a county of Sichuan Province in which the price of 150 tons of fertilizer rose from 446 yuan a ton to 756 yuan a ton after 15 intermediaries became involved in the resale.

The paper says an audit of 15 provinces discovered that 422 million yuan had been made illegally from profiteering in chemical fertilizer last year.

Directors of chemical fertilizer plants, however, said their plants are unable to make profits since they can sell their products only at prices fixed by the state, despite rises in the prices of the electricity and fuel used in production.

The paper says they have applied to the Government for policy changes to help them.

Ecological Deterioration Worries Agronomists
OW2402023189 Beijing XINHUA in English
1311 GMT 23 Feb 89

[Text] Beijing, February 23 (XINHUA)—Both officials and agronomists showed concern over the deterioration of China's agricultural ecology at a national conference on rural economy here today.

The problem has become a major obstacle to further rural development, said Guo Shutian, a Ministry of Agriculture official.

Guo, an agronomist himself, said the situation has exacerbated the problem of a continuously increasing population and a scarcity of resources.

According to a report by a group of scientists from the Chinese Academy of Sciences, China faces a serious soil erosion problem. Although China has controlled erosion on 410,000 square kilometers of land since 1949, the area affected by erosion has increased from 1.16 million square kilometers to 1.5 million square kilometers.

The report says that nitrogen, phosphorus and potassium carried away each year reach 40 million tons, the same as the annual amount of chemical fertilizer produced in the country. About one third of all farmland is endangered by erosion.

Meanwhile, more trees have been cut than have been left standing. Although China has improved nearly six million hectares of artificial grassland, the degenerated area has increased to 50 million hectares.

The scientists say China must also deal with the encroachment of desert resulting from the decline of rivers, lakes and irrigation projects.

According to surveys, 14 out of 25 rivers in China have been seriously polluted and many areas have been affected by acid rain. Six million hectares of farmland cannot be irrigated because of the shortage of water and 154 cities throughout the country are plagued by water shortage.

The scientists declared: "We are facing unprecedented population pressure and ecological deterioration and we are challenged by ecological and environmental pollution."

Shi Shan, an agronomist from the rural research center of the State Council, attributed the situation to excessive use of resources and the accumulation of ecological problems before 1949, and the wasteful use of resources and neglect by local government and farmers in recent years.

The experts said agricultural ecological deterioration will grow worse if effective measures are not taken from now on. Proper agricultural practices would protect production, environment and resources.

East Region

Fujian Governor Addresses Anticorruption Meeting *OW2102091189 Fuzhou Fujian Provincial Service* *in Mandarin 1100 GMT 18 Feb 89*

[By reporters Li Shuizhao and Liu Jianying]

[Text] Governor Wang Zhaoguo addressed a provincial conference on supervision work on 18 February, stressing the cracking down on embezzlement and bribery as the central task of the anticorruption campaign, and calling for taking effective measures and applying administrative, disciplinary, and legal means to investigate a number of embezzlement and bribery cases and severely punish economic crime during a given period of time, while educating the cadres and masses in boldly combating acts of violating law and discipline, thereby promoting in-depth construction of clean government.

Wang Zhaoguo said: We must confirm that the overwhelming majority of party members and cadres in Fujian have performed duties with honesty in the course of reform and opening up to the outside world. However, we should also soberly realize that there are indeed a handful of people in the government organizations who failed to withstand the test and traded their powers for money, thereby engendering decadent practices such as power abuse for selfish gains, dereliction of duty, bribery, embezzlement, blackmail, extortion, and waste of public funds for giving extravagant dinners and gifts, with bribery and embezzlement as the most serious problem of corruption. Giving gifts of cash to leaders and a few individuals with actual powers in some units on festivals should be strictly prohibited. Cash gifts must be returned. Those who fail to do so shall be duly punished.

Wang Zhaoguo said: Governments at all levels must attach great importance to and effectively strengthen the administrative supervision work. In promoting clean government, supervision organs at different levels must see to it that leading organs and cadres execute duties with honesty, and the economic supervisory and law enforcement departments abide by and implement the law. We must rely on the masses in setting up anticorruption hotlines. Information brought to light by the masses should be investigated seriously and verified with facts. We should also protect cadres and people who expose corruption, and severely punish any retaliation against exposure of corruption. It is necessary to regularly solicit opinions and suggestions from the democratic parties, patriots without party affiliation, and mass organizations for promoting clean government, as well as to invite them to take part in the investigation of relevant cases for the strengthening of democratic supervision. The supervision organs should carry out their

activities with strict discipline and perfect rules, regulations, and work procedures. It is necessary to severely punish those who abuse their powers, violate the law they implement, and incur serious damage to the state and the people.

The 5-day provincial conference on supervision work, the first since the resumption of supervision work in Fujian, transmitted the guidelines of the national supervision work conference, and studied and worked out plans for Fujian's supervision work.

Before the conference closed, leading comrades of the provincial party committee, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial government, and the provincial CPPCC Committee Chen Guangyi, Wang Zhaoguo, Lin Kaiqin, Wen Xiushan, Shi Xingmou, and Ling Qing met with representatives to the conference.

Foreign Trade Figures Given for Fujian's Xiamen *OW2002221589 Beijing XINHUA in English* *1556 GMT 20 Feb 89*

[Text] Xiamen, February 20 (XINHUA)—Xiamen city in east China's Fujian Province approved the setting up of 180 foreign-funded projects last year, according to a local official today.

These projects involve a total investment of 360 million U.S. dollars, 2.6 times the figure in 1987.

Now the city has 260 foreign-funded enterprises in operation, and their industrial output value accounts for 42.3 percent of the city's total, said the official.

The city authorities have signed 113 contracts with Taiwan investors, 12 already since the beginning of this year.

Some 90 percent of these projects are production ones; many of them are now beginning to show profits, and some are producing high-technology exports.

The number of wholly foreign-funded enterprises has also speedily increased. Last year 79 wholly foreign-funded enterprises were approved.

Last year Xiamen's total foreign trade value reached 570 million U.S. dollars, with exports bringing in about 500 million U.S. dollars—double the figure for 1987.

Products totalling 2,000 types, including light industrial products, machinery and electronic products, have been sold to 68 countries and regions.

Shandong's Jiang Chunyun on Opening To Outside
SK2102050289 Jinan DAZHONG RIBAO in Chinese
27 Jan 89 p 1

[Text] At the end of the year, the Shandong provincial party committee held its first plenary session of the fifth provincial party committee to elect the new Shandong provincial party committee and its Standing Committee. During the session, Jiang Chunyun was elected secretary and Ma Zhongchen and Zhao Zhihao were elected deputy secretaries. Will the changes in the decisionmakers bring changes to Shandong's policies and measures of opening up to the outside world?

This is a common concern of the broad masses of friends at home and abroad. In this connection, the staff reporter of ZOUXIANG SHIJI [MARCH TOWARDS THE WORLD] magazine interviewed Jiang Chunyun, the newly appointed secretary of the Shandong Provincial CPC Committee.

Question: Comrade Chunyun, as Shandong's new decisionmaker, what position will opening up and the development of the export-oriented economy have in the province's economic development?

Answer: Expanding the scope of opening up to the outside world and developing the export-oriented economy are the common wishes of the leading bodies of our new provincial party committee. Opening up to the outside world is our basic national policy. Shandong is a coastal province with exceptionally favorable conditions for expanding the scope of opening up to the outside world. We should never discard these advantages. During the last few years, the former provincial party committee persisted in grasping the export-oriented economy as one of the strategic tasks for making the people rich and Shandong prosperous. It seized the opportunity to implement the economic development strategy for the coastal areas in particular and succeeded in accelerating Shandong's pace of opening up to the outside world. In the coming 5 years, we will continue to consider expanding the scope of opening up and developing the export-oriented economy as one of the major strategic points of developing, building, and invigorating Shandong. We will stress this point firmly and unshakably.

Question: Will there be any changes in the series of preferential policies which Shandong has formulated for developing the export-oriented economy since last year?

Answer: These preferential policies were formulated by the Shandong provincial party committee and government in line with the CPC Central Committee's economic development strategy for coastal areas as well as with Shandong's reality. They will be implemented continuously in the future and will not be willfully changed. Certainly, some policies are not invariable. But you may rest assured that even if there are changes in the policies, they will be

more favorable for the development of foreign economic relations and trade and will make the preferential policies become more perfect, not the opposite.

Question: Once you said that we should accelerate the development of the export-oriented economy in an incremental manner and at different levels. What is the concrete meaning of this?

Answer: Practice shows that there should be primary and secondary levels in developing the export-oriented economy. We have decided to take the open zone of Shandong peninsula as one level and the western interior hinterland as the other. The Shandong peninsula open zone should establish, as soon as possible, a production structure with the international market as the main orientation and should initially form an export-oriented economic pattern. The interior hinterland should consider the domestic market as the main orientation, actively develop natural resources, raise its reprocessing capability, and strive to put more products on the international market. In short, in developing the export-oriented economy, we must be bold and must advance steadily.

Question: In your opinion, what relations must we handle in developing Shandong's current export-oriented economy?

Answer: We must properly handle well the relations in five aspects: The first aspect is the relationship between opening up the eastern part of Shandong to the outside world and developing the western part of Shandong. Through adopting proper policies, we must regulate well the relations between the two, use opening up to stimulate development, and use development to promote opening up in an effort to promote lateral cooperation and common development. The second aspect is the relationship between Shandong Province and the inland provinces and areas. On the basis of mutual benefits, we must render services both to Shandong Province and to the inland provinces and areas. Shandong should first serve the inland provinces and areas and serve as their export window and outlet. The third aspect is the relationship between Shandong and the coastal open provinces and cities. In line with the principles of equality, mutual benefits, mutually supplementing one another with each other's advantages, cooperating with one another sincerely, and working together to develop the export-oriented economy to achieve common development, we must actively participate in opening up to the outside world through coordinated efforts. The fourth aspect is the relationship between the international market and the domestic market. We must give simultaneous consideration to both the international and domestic markets, and combine them and enable them to promote one other. The fifth aspect is the relationship between foreign economic contacts and foreign cultural exchanges. We must fully display our province's three major advantages of being situated in the coastal areas, having long-standing cultural traditions, and having many Overseas Chinese compatriots; conduct extensive

foreign cultural exchanges; make many friends; strengthen Shandong's exposure to the world; absorb and draw many lessons from the advanced domestic and international scientific and technological findings; and open up new paths for bringing Shandong's products onto the world market.

Question: What measures will Shandong adopt at present in opening up to the outside world?

Answer: This year Shandong will face new opportunities in opening up to the outside world. The CPC Central Committee's decision of "leaving one side of the net open" in the development of the export-oriented economy during the course of "improving the economic environment and rectifying economic order," cutting back the over-heated demands, increasing effective supplies, and stabilizing market commodity prices, is advantageous to expanding our foreign export trade and using foreign capital. Of course, we still have some difficulties in readjusting the structure of our supply of goods and in the circulation of foreign exchange. We intend to make use of the opportunity of readjusting the economic structure to change Shandong's current situation in which most of its exports are raw materials, semi-processed products, and agricultural products; gradually increase the export of finished products, particularly the export of intensive and reprocessed products; and expand exports of machinery and electronic products, light and textile products, technology, and labor services. In line with the principle of considering both domestic and international markets, we will actively increase the export of commodities which can be arranged by the localities. We should carefully organize the export of products manufactured by "Sino-foreign joint ventures, Sino-foreign cooperative enterprises, and wholly foreign owned enterprises"; actively conduct large-scale import and export business, such as processing with imported materials, processing supplied raw materials, and assembling parts supplied by foreign firms; and strive to substantially increase foreign exchange earnings from these aspects. Furthermore, we will make good use of the available foreign exchange and will manage it well. We will guarantee key projects and give priority to arranging foreign exchange for the import of agricultural capital goods that are in short supply, important industrial raw materials, and essential technology and equipment. We will also use foreign capital to transform old enterprises and strive to emphasize coordinating the existing factory buildings and equipment with technology.

Jiang Chunyun at Shandong Meeting on Personnel
SK2102084889 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 20 Feb 89

[Text] On the morning of 20 February, at the Nanjiao Guesthouse, the Shandong Provincial CPC Committee invited responsible persons of democratic parties, the federation of industry and commerce, and the Standing Committee of the provincial party committee; nonparty

figures; and responsible persons of relevant mass organizations to a meeting to discuss the issues concerning personnel arrangements for the provincial People's Congress, the provincial government, and the provincial CPPCC Committee.

Jiang Chunyun, secretary of the provincial party committee, presided over the meeting. Ma Zhongchen, deputy secretary of the provincial party committee, explained the namelists of the candidates for vice chairmen and members of the provincial People's Congress Standing Committee, the namelists of the candidates for provincial governor and vice governors, and the namelists of the candidates for newly added Standing Committee members and vice chairmen of the sixth provincial CPPCC Committee, which will be submitted by the provincial party committee to the second session of the seventh provincial People's Congress and the second session of the sixth provincial CPPCC Committee for elections.

In a spirit of seriousness, conscientiousness, and high responsibility, participants democratically discussed the namelists of the candidates for leading body members of the provincial People's Congress, the provincial government, and the provincial CPPCC Committee. They talked freely, aired their own views, and unanimously maintained that if the namelists of the candidates for the three leading bodies, which have been fully examined and repeatedly discussed by the provincial party committee, can be defined at the second session of the seventh provincial People's Congress and the second session of the sixth provincial CPPCC Committee, these three leading bodies will further enhance their leadership forces. On that basis, they approved the namelists.

Jiang at Meeting of Shandong Bank Presidents
SK2002093589 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 19 Feb 89

[Text] The year 1988 was very special in the history of our province's banking development. During the year, obvious inflation emerged in our economic life. The banking sector witnessed a situation in which large amounts of money were put into circulation, the depositors squeezed their way to queue up to deposit their money in the banks, the reputation of banks declined, and funds were in extremely short supply, a situation unprecedented since the founding of the country. Complicated contradictions and great difficulties emerged in financial macroregulation and control.

The preceding statement was given by (Zhao Junchen), president of the provincial People's Bank, at the provincial meeting of presidents of People's Banks which is now being held in the province. Last year our province's banking situation was very unstable. Thanks to our provincial departments' close coordination and full cooperation, the province's urban and rural savings deposits increased 8.41 billion yuan by the end of last year, a 34.7 percent increase. Under the situation in

which the state tightened control over money supplies, the provincial People's Bank strengthened macro financial regulation and control, and all specialized banks also maintained close coordination to basically guarantee the rational and necessary funds for the province's economic development. We should attribute our province's current good economic trend to the vigorous efforts of the hundreds of thousands of cadres and workers of the banking departments throughout the province.

On 18 February, Vice Governor Ma Shizhong mounted the rostrum of the provincial meeting of presidents of People's Banks. The first remark he made was to thank the broad masses of cadres and workers of the banking departments throughout the province on behalf of the provincial government. Ma Shizhong said: In facing 1989, which has already begun, we should attach primary importance to improving inflation in banking work in 1989. The banking departments must strengthen macroregulation and control and guard the circulation of money.

Jiang Chunyun, secretary of the provincial party committee, and Zhao Zhihao, deputy secretary, also came to the meeting to visit the participants.

Shanghai Freezes Prices, Ensures Major Goods
OW2402023389 Beijing XINHUA in English
1249 GMT 23 Feb 89

[Text] Beijing, February 23 (XINHUA)—The municipal government of Shanghai, China's biggest city, has decided to keep prices unchanged for 19 kinds of daily-use commodities and ensure adequate supplies of 51 types of major goods in an attempt to curb price hikes.

The leading national newspaper, the "PEOPLE'S DAILY", reported today that the 19 kinds of commodities include rationed rice, flour, cooking oil, sugar, pork, beef, eggs, poultry, matches, soap, household-use coal, soy sauce, vinegar and toilet paper.

The city has set up a committee to oversee the production, purchasing and marketing of 51 major goods, which fall into three categories: staple and non-staple foodstuffs, daily necessities and consumer goods.

Businesses engaged in the production of these goods will be given favorable terms in supply of energy, raw materials and funds, the paper reported.

Shanghai Urges Shift to Market Economy
HK2002080989 Beijing CHINA DAILY
(SHANGHAI FOCUS) in English
20 Feb 89 p 1

[By Chen Weihua]

[Text] [CD NEWS] Shanghai's municipal government has decided to speed its adjustment in industrial structure this year to compensate for the shortage of funds, energy and raw materials.

The adjustment means a shift to a market-oriented economy to assure the long-term stable development of the local economy, said Yu Pinfang, director of the Municipal Economic Commission.

About 10 per cent of the local products are now over-supplied. The State's cut in fixed asset investment and control of institutional spending this year have hurt some local industries.

Yu said the reduction of investment has slowed industrial renovation. The investment in technical renovation under his commission is expected to be 1.94 billion yuan this year, only half of last year's figure.

The local metallurgical and chemical industries are seriously blocked by their outdated equipment and shortage of raw materials.

Shifting the industrial structure is the only way out, a local economist said. The increase of industrial output is expected to be 5 per cent this year.

Although an investment of some 700 million yuan in capital construction and technical renovation was cut last year, the municipal government will still give priority to some key municipal projects, especially the raw materials industry, products in high demand, export products, products replacing imports and some high-tech projects.

The production of the first group of 126 products, most with poor quality, poor market demand or high pollution and energy consumption, has recently been restricted. These products include some washing machines, recorders, vacuum cleaners and mechanical watches. This means the municipal government will not offer loans and provide technical renovation for these products.

The local government has also decided to increase the production of some 26 daily necessities, ranging from soap and matches to socks and durables such as television sets and pianos, all of which are in high demand.

A list will be issued of 200 key products that need to expand their production. The local government has pledged to guarantee funds, electricity and raw materials for these products, Yu said.

The production of chemical fertilizer, pesticide and plastic membrane [sheeting] is expected to increase about 8.4 per cent, 49.6 per cent and 7.3 per cent respectively. The municipal government will put tight controls over the sale of these products to secure a smooth development of local agriculture, which used to suffer from a shortage of these products.

A special task force will be set up by the municipal government to secure the supply of coal, shortage of which challenged the power industry several times last year. Many factories in Shanghai are now running only five days a week solely for a lack of electricity.

Yu said that every department should analyse its market demand each year and make necessary adjustments in production.

Exports are especially important in the development of a market-oriented economy. Shanghai is expected to provide some 10.26 billion yuan (\$3 billion) worth of export commodities this year. The export of machinery, one of the biggest export items of the city, is expected to have a major increase this year to guarantee Shanghai's total export value, Yu said.

Overseas Investment in Shanghai Increases

HK2002081789 Beijing CHINA DAILY
(SHANGHAI FOCUS) in English
20 Feb 89 p 2

[By Zhang Ping]

[Text] [CD NEWS]—1988 saw a strong upsurge in foreign investment in Shanghai.

Last year, the city approved 219 foreign-funded projects with foreign investment of \$333.27 million. This was an increase of 188 percent in the number of projects and 35 percent in the amount of investment over 1987.

Ninety percent are industrial projects and only three were hotels.

"For the first time since 1979, industrial outpaced non-industrial projects," said the official in charge of foreign investment.

He said that 20 joint ventures with investments over \$5 million yuan were established last year compared with 16 in 1987.

Last year, some world famous companies joined local foreign-funded ventures.

Philips of the Netherlands and Union Carbide of the United States set up joint ventures here.

The United States remains the largest foreign investor in the city.

Last year, the United States invested \$58.2 million in 26 projects. The Netherlands ranked second, with \$24.31 million in two projects. Japan ranked third with \$22.1 million invested in 23 projects.

Shanghai Examines Joint Venture Union Rules

HK2002081389 Beijing CHINA DAILY
(SHANGHAI FOCUS) in English
20 Feb 89 p 2

[By Zhang Tingting]

[Text] [CD NEWS] The Municipal People's Congress is taking cautious steps with a regulation submitted to it in the January session. The regulation concerns the functioning of labour unions in joint ventures and in solely foreign-funded ventures.

Many congress people said the regulation should serve a two-fold purpose of protecting workers' rights and improving Shanghai's investment environment.

According to the regulation, the duties of the labour unions are to:

- Protect workers' rights and benefits granted by the constitution and co-ordinate between the enterprise and workers;
- Educate workers to abide by national laws and legislations, fulfill contracts and keep labouring disciplines in enterprises;
- Initiate activities among workers for constructive suggestions and innovations to promote production and management;
- Help train skillful workers;
- Organize and provide cultural activities including entertainment and sports for workers;
- Other duties stipulated in laws and legislation.

The rights of the labour union are to:

- Attend meetings of the board of directors on development plans, management and other important matters and reflect ideas and demands of workers. The board of directors should seek co-operation of the union on such matters as rewards and fines, salaries, welfare, labour protection and insurance of workers;
- Sign on behalf of workers collective contracts with the enterprise, instruct workers to sign individual contracts with the enterprise, and supervise the fulfilment of contracts. The union must be informed a month before either side is to terminate a contract;
- Supervise the enterprise's execution of laws and regulations concerning labour protection, labour insurance and special rights for women;
- Join investigations of accidents of workers on duty and put forth decisions;

- Supervise the enterprise's execution of working hours and holiday systems. Any protraction of the working hours should be approved by the union;
- Help improve the enterprise's welfare and supervise the expenditure of the welfare funds;
- Protest inappropriate decisions about firing or punishing employees after being informed of plans by the enterprise; support workers' appeals to the Municipal Labour Arbitration Committee if mediation is impossible; help workers seek a suit in a people's court if arbitrament cannot be accepted;
- Other rights guaranteed in laws and legislation.

More than 100 labour unions have been set up in the city's 200 joint ventures involving 30,000 workers. The unions have played an important role in settling various labour disputes.

Almost all the congress people believed it necessary to define the role of the unions in joint ventures since situations there are totally different from those in Chinese enterprises; but they were more concerned about the feasibility of the regulation.

Central-South Region

Further on Labor Problems Facing Guangzhou
OW2302024289 Beijing XINHUA in English
1316 GMT 22 Feb 89

[Text] Guangzhou, February 22 (XINHUA)—Since February 10, each day some 100,000 job-hunting laborers have come to this capital city of Guangdong Province in south China.

At present, there are 30,000 jobless and homeless people from other parts of the country living more or less permanently at the Guangzhou Railway Station.

According to a survey of the job-seekers made by reporters, most came to the city after hearing a rumour that it is easy to get jobs in Guangdong Province.

Once they learned of the true conditions in Guangzhou, many of them wanted to return home, but have been stranded at the station.

As the flow of unemployed peasants, construction laborers, and unskilled workers continues to pour into the city to find neither work nor shelter available, the authorities are becoming increasingly concerned about the stress placed on Guangzhou's social services.

Official on Measures for Workers

HK2202124089 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 22 Feb 89

[Excerpt] Yesterday an official of the General Office of the provincial people's government disclosed to our reporter that the provincial government had called on all cities and counties to go into immediate action and adopt effective measures to evacuate and make arrangements for the placement of laborers who had come from other provinces to hunt for jobs in Guangzhou and other cities and counties.

Cities and counties were also requested to give wide publicity and enforce adequate education among the laborers in a bid to persuade them to return to where they came from, and to make arrangements for the replacement of contract workers at an early date. Meanwhile, they were also warned not to substitute these workers by cheaper laborers. Those who have no job now should be firmly persuaded to return to where they came from to take part in spring plowing.

It has been reported that inspection teams and other relevant organizations have been set up in Guangzhou to take charge of evacuating those laborers coming from other provinces and the work of arranging traffic facilities and maintaining public security.

Meanwhile, railway departments, beginning yesterday, suspended extra southward railway service. As a result, the number of laborers coming to Guangzhou from other provinces declined to a certain extent yesterday.

At 1800 yesterday, our reporter found that the square in front of the Guangzhou Railway Station, where a dense crowd of laborers has often been seen in recent days, did not seem as crowded, but there were still more than a thousand laborers wandering around the square.

Some six young laborers from Jian County, Jiangxi Province, told the reporter: They were told in their hometown that many factories and building teams in Guangdong needed a large number of workers. After they came to Guangzhou by train, they immediately went to Dongguan to look for jobs. They visited more than 20 factories and over 10 construction sites at a stretch but they could not get any jobs there, so they had to go back to Guangzhou. The young laborers also told the reporter that they planned to return to their native town in Jiangxi tomorrow. [passage omitted]

Vice Governor on Labor Influx

HK2302084989 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 23 Feb 89

[Interview with Guangdong Provincial Vice Governor Zhang Gaoli by unidentified station reporter; date and place not given—recorded]

[Text] [Reporter] Governor Zhang, a large number of laborers from elsewhere have been swarming into Guangdong in order to look for jobs and earn money after the Spring Festival. How do you look upon the issue?

[Zhang] After the Spring Festival, large numbers of laborers have been swarming into Guangdong from other provinces. Some were brought here by laborers who had gone back for a family reunion during the Spring Festival, some were taken in by labor contractors, and others came here to fish for something after hearing and believing rumors. Labor markets in Guangdong are now bottled up. Like other parts of the country, Guangdong is also cutting back and readjusting the scale of capital construction. It is very hard to hunt for a job. As a matter of fact, large quantities of laborers coming from other provinces had returned to their home towns by the end of last year due to difficulties in grain supply. Even members of building teams of our province are now redundant. For this reason, those laborers who blindly swarmed into Guangdong can hardly get any jobs. They can do nothing now but wander about in Guangzhou and some places around the Zhujiang Delta. They are in a sorry plight, as they cannot afford food and housing. In my opinion, this is a pressing social problem calling for immediate attention.

[Reporter] May I ask what the provincial government will do?

[Zhang] The provincial government has adopted the following measures: 1) Governments at the provincial, city and county levels should strengthen leadership and the departments concerned must take concerted action to firmly evacuate those laborers that swarmed into Guangdong and send them back to where they came from as soon as possible. 2) Railway and other transportation departments should increase services to evacuate as quickly as possible those who have come to Guangdong to attend the Spring Festival. 3) Environmental sanitation and civil administrative organs and service trade should be aroused to do environmental sanitation work well around railway stations and quays so as to ward off any disease attacks. 4) Public security organs must strengthen the work of maintaining public order and strike resolute blows at lawless persons who cajole laborers into Guangdong from other provinces and on criminals on the run who take the opportunity to commit theft, robbery, murder, and swindling activities. We also hope other fraternal provinces and cities will lend us strong support and the press units will give wide publicity and conduct adequate education in order to prevent large quantities of laborers from streaming into Guangdong from other provinces. Thanks to ceaseless efforts in the past few days, a large number of the laborers have returned to their hometowns. Nevertheless, a serious problem we are now facing is that there are still large numbers of laborers who intend to swarm into Guangdong from other provinces. The provincial government is now taking countermeasures. We hope that all fraternal provinces and cities will continue to give energetic support to us. We also hope that leaders and the relevant comrades of cities and counties around the Zhujiang Delta will make continuous efforts to persuade those laborers to return to their hometowns as soon as possible. [end recording]

Commentary on Labor Recruitment

HK2302055189 Guangzhou Guangdong Provincial
Service in Mandarin 1000 GMT 22 Feb 89

[Station "short commentary" by (Ye Ping): "A Few Remarks on the Influx of Tens of Thousands of Peasant Laborers From Other Provinces Into Guangdong"]

[Text] Since the end of the Spring Festival, tens of thousands of peasant laborers have been streaming into our province from other provinces. This has resulted in a number of social problems in our province. It is now a pressing matter to immediately check the influx of laborers and to request that the other provinces concerned adopt supporting measures. On the other hand, efforts must be made to resolutely send these laborers back to where they came from.

Therefore, we had better rethink the issue of employing peasant laborers from other provinces. It must be noted that in recent years, the overheated economy and over-extended capital construction in many areas of our province has caused a sharp increase in the need for laborers. Taking wages and production costs into consideration, many enterprises have employed a large number of peasant laborers from other provinces. The great numbers of laborers who have swarmed in from other provinces have caused many social problems for our province, affecting management, public health, housing, and public security. The labor requirement can be solved by recruiting from the Zhujiang Delta as well as from many areas in eastern, western and northern Guangdong. Why should we seek far and wide, recruiting large numbers of laborers from other provinces, for what lies close at hand?

Guangzhou Introduces Power Use Quotas

HK2202092789 Hong Kong HONGKONG STANDARD
in English 22 Feb 89 p 6

[By Tammy Tam]

[Text] Guangzhou authorities have introduced limits on power use and threatened to punish anyone caught breaching them.

The quotas were introduced recently to battle continuing shortages, which authorities said would last at least another two years.

"The power department has set quotas for all factories and districts. They are enough to meet basic needs. Everyone has been asked to save electricity," said Dai Zhiguo, chairman of the Urban & Rural Construction Commission of Guangzhou Municipality.

It is the first time Guangzhou has set specific limits for power use. It follows a dramatic power cut last month in Beijing, when hotels and factories were told to cut energy use by 30 to 40 percent or face fines.

The Beijing cuts were intended as an example to the rest of the country.

Since Guangzhou's quotas were put in place, many factories have been operating on a three-day week. Domestic supply has not been much affected.

"At present, each of the six districts of the city will have only one day's power cut every week. Our aim is to try our best to provide people with power for their daily necessities," Mr Dai said.

"Some power-consuming electric appliances such as air-conditioners are basically not allowed in the city. But joint ventures are different and we will guarantee their power supply. Foreign investors come to help us, we cannot cut their power supply."

Guangzhou has one of the fastest-growing economies in China. The annual growth rate is 20 percent.

"But without enough power, we can do nothing," Mr Dai said.

Official statistics show the city needs tens of millions of additional kilowatt-hours of electricity to satisfy current demand.

Guangzhou people have spent several hot summers with limits on electricity usage. This year, however, the cuts extend to winter as well.

"The power shortage will last for at least two years or even longer because our industry is developing faster and people are using more electric appliances," said Mr Dai.

In an effort to reduce the shortage, Guangzhou has expanded three of its power plants. Two more nuclear plants are planned in the province soon.

"At present, electricity for Guangzhou is generated from coal," said Mr Dai.

"But the coal has to be imported from other provinces since the city is not a coal producer. This adds extra difficulty to solving the power shortage," he said.

"As for nuclear plants, we have to face the technical problems and must be very careful with nuclear power.

"To construct more power plants has been put at the top of our agenda. But, at present, to save as much electricity as possible is one major way out.

"Penalising anyone who wastes electricity is a good way."

He did not say what sort of penalties would be used.

Guangdong To Build Second Nuclear Power Plant
HK2102021489 Beijing ZHONGGUO XINWEN SHE
in Chinese 1337 GMT 20 Feb 89

[Text] Guangzhou, 20 Feb (ZHONGGUO XINWEN SHE)—Guangdong has decided to build a second nuclear power plant. The location will be selected and preparatory work will start this year.

Now the Guangdong Power Design Institute is carrying out indoor selection of the location and it is estimated that outdoor selection will be carried out next month. It has been reported that a number of foreign firms have come to the province to promote sales of their nuclear power equipment. However, the departments concerned would rather use Chinese equipment.

The Shenzhen Daya Bay nuclear power plant is Guangdong's first nuclear power plant. The construction of the plant will be completed very soon. The nuclear power equipment purchased from other countries is also under production. It is estimated that the power plant will go into operation by 1992.

Because of energy shortages, Guangdong has decided to simultaneously develop hydropower, thermal power, and nuclear power. A number of large- and medium-size thermal power projects will go into operation this year. Among these, the Guangzhou Huangpu Power Plant, the Dongguan Shajiao A Power Plant, and the Guangzhou Power Plant each has a generating unit that has gone into operation. The total installed capacity is 550,000 kw. In addition, the hydropower and thermal power plant (stations) in Yunfu, Meixian, Shaoguan, and Qingqi, which started 2 years ago, are still under construction. The construction of the Guangzhou Zhujiang Power Plant, the Shantou Power Plant, and the Zhanjiang Power Plant will also start this year.

Guangdong has also planned to develop power projects with foreign firms and other provinces. The projects to be built in cooperation with foreign firms and other provinces include the Fanyu Power Plant, the Taishan Power Plant, and the Dongguan Shajiao C Power Plant.

Guangdong Foreign Economic Sector Said Developing
OW2002134889 Beijing XINHUA in English
1305 GMT 20 Feb 89

[Text] Guangzhou, February 20 (XINHUA)—Guangdong attributes the development of its export-oriented economy to three major factors—being more open to international business, expanding its scale of operation and evolving toward high technology, the "PEOPLE'S DAILY" reports today.

Lin Ruo, secretary of the Guangdong Provincial Committee of the Chinese Communist Party, said recently that the investment environment in Guangdong Province has been much improved since China adopted the policy of opening itself to the outside world.

The sources of foreign investment are multiplying. In the past most foreign investors came from Hong Kong and Macao. Now an increasing number come from the United States, Canada, Japan and West Europe.

As relations with Taiwan have improved, he added, more Taiwan businessmen are investing in Guangdong Province.

The scale of foreign investment is expanding. Several years ago the investment scale often ranged from several hundred thousand to a million U.S. dollars, but now many individual deals amount to more than 10 million U.S. dollars, and some to even hundreds of millions.

In the past, Lin said, most joint ventures involving foreign investment were labor-intensive, such as those processing supplied raw materials. But now they are turning to high-technology projects.

Guangdong Construction Work Conference Ends
HK2102015389 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 18 Feb 89

[Text] The provincial conference on construction work, at which Vice Governor Zhang Gaoli outlined his wishes and demands for the provincial construction work front, ended this afternoon.

In his speech, Zhang Gaoli pointed out: At present serious effort must be made to cut down the scale of capital construction, straighten out the construction market, and readjust the construction work structure. The responsibility for continuing construction of extra-budgetary and unapproved projects and projects which have been suspended or cancelled should be investigated and affixed. Departments in charge of different levels should concentrate efforts on setting things right in the capital construction market and real estate market and rectifying the economic order in urban construction and public utilities. Market acts must be standardized so as to establish a new order marked by equal competition, fair dealing, and strict supervision and control.

Zhang Gaoli also noted: To implement the strategy for coastal economic development, the building industry should also adopt energetic measures to export labor force, contract for projects abroad, raise the level of the projects it contracts, and expand the scale of its operations.

At the meeting, Construction Minister Lin Hanxiong spoke highly of the achievements Guangdong had made in urban and rural construction. He hoped that Guangdong would set an example in cutting back investment and straightening out the construction market throughout the country.

Guangdong Convenes Meeting on Party-Building
HK2202032989 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 21 Feb 89

[Excerpt] The Guangdong Provincial CPC Committee convened a meeting on party-building today. The main topic of the meeting is to study how to improve party-building. Lin Ruo, Wang Ning, and Luo Tian, responsible comrades of the province, attended the meeting this afternoon.

Xie Fei, deputy secretary of the provincial party committee, and Wang Zongchun, member of the Standing Committee of the provincial party committee and secretary of the provincial Discipline Inspection Commission, relayed the spirit of the central instructions on stepping up party-building, the national discipline inspection work meeting, and the forum on building clean government, and put forward views on implementation. [passage omitted]

Guangxi Preparing for Structural Reforms
HK2102141889 Nanning Guangxi Regional Service in Mandarin 1100 GMT 19 Feb 89

[Text] Our region is energetically making preparations for structural reforms.

A regional forum attended by personnel bureau chiefs of prefectures and cities, which concluded on 18 February, disclosed that our region is now busy making investigations and mapping our plans for structural reforms and readjusting and rationalizing all middle administrative setups that are obviously disadvantageous to the policy of reform and opening up. It is planned to basically complete the work of structural reforms throughout the region in 2 to 3 years. The work of structural reforms as a whole should be carried out from top to bottom and from one level to another. This year's efforts will be first to carry out structural reforms at the regional level.

The meeting called on all localities to make in-depth investigations and studies before plans for structural reforms are mapped out, do a good job of providing more proofs for the plans, make continuous efforts to readjust the structure of cadres, strictly control irrational increase of staff of administrative organs, and discuss and address the problem of making arrangements for the replacement of redundant personnel of administrative organs. Personnel department heads at the regional, prefectural and city levels attending the meeting pointed out: The main tasks for structural reforms are to further separate the functions of the government from those of the enterprise, change the functions of the government, bring into better balance the relations, rationally grant power to governments at all levels over the management of cadres, streamline the administrative structure and reduce the number of staff, cut down leadership posts, and establish a mechanism for restricting the size of the administrative structure.

The forum also discussed the issue of establishing a system of public service in our region, pointing out that the establishment of a system of public service is one of the aspects in reforming the personnel system relating to cadres, and that preparations in different aspects should be made for the establishment of the system. The preparations include implementing right now the principle of recruiting employees on a selective basis through a statutory examination in open and fair competition in recruiting any new staff for administrative organs; the performance of newly promoted leaders should be evaluated in an all-around way to decide on their promotion and demotion with the focus on their work results; statutory regulations for establishing a system of public service such as evaluation, reward and punishment, training, and discipline, which are of universal significance, should be adopted in all types of organs; a network of training public servants with the help of administrative organs and universities and colleges as the main body will be set up.

The forum also discussed the reform of the personnel system in enterprises and institutions, the issue of maintaining a clean personnel department, the problem of exploiting intelligence resources and making proper use of talented people, and the issue of building up a market of competent people.

Guangxi Calls for Strengthening Monetary Work
HK2102082089 Nanning Guangxi Regional Service
in Mandarin 1100 GMT 19 Feb 89

[Excerpts] The meeting attended by presidents of all the People's Banks of China in our province, which concluded on 18 February, pointed out: This year's main tasks for all the People's Banks of China in our province are to strengthen the macroscopic controls exercised by the Central People's Bank of China, absorb more savings deposits, expand sources of funds, straighten out the monetary order, strengthen the work of auditing accounts and supervision, and tighten controls over special-purpose loans granted by the People's Bank of China so as to make contributions to the striving for a continuous and steady economic development in our province.

(Li Mingchu), president of the provincial People's Bank of China, relayed the spirit of the national conference attended by presidents of the People's Banks of China from all parts of the country, pointing out that the guidelines for this year's monetary work are to further implement the spirit of the 3d Plenary Session of the 13th CPC Central Committee, limit the growth of the money supply, stabilize the money market, consolidate the monetary order, and deepen the monetary reforms in an effort to better serve the work of improving the economic environment, rectifying the economic order the deepening the reforms in an all-around way. To this end, the year's credit principles are to control the total

amount, readjust the structure, guarantee the investment in key construction projects, curtail investment in ordinary projects, and regulate loans at an appropriate time. [passage omitted]

When assigning tasks for this year's monetary work, (Li Mingchu) stressed: It is necessary to work for the spirit of the national conference attended by presidents of the People's Banks of China from all parts of the country and carry out reforms in four areas. First, it is necessary to reform the planning system. From now on there are no plans for bank deposits and loans but ceilings for loans will be transmitted to lower levels. Second, it is necessary to reform the system of settling accounts by introducing a system of negotiable papers. Third, it is necessary to raise interest rates of deposits and loans by a big margin to give full play to the lever of interest rates. Fourth, it is necessary to rectify the banking order to further improve the management of bank business. [passage omitted]

Guangxi Holds Militia, Reserve Service Meeting
HK2002025789 Nanning Guangxi Regional Service
in Mandarin 1100 GMT 18 Feb 89

[Text] The people's armed forces commission of the regional party committee held its 11th plenary meeting this morning. Wang Dingbo, vice chairman of the commission and political commissar of the Guangxi Military District, presided. Wei Chunshu, chairman of the commission and chairman of the regional government, and Xiao Xuchu, vice chairman of the commission and commander of the Guangxi Military District, were present and spoke.

Sun Geqing, member of the commission, director of its general office, and chief of staff of the Guangxi Military District, reported on militia and reserve service work in 1988 and the work arrangements for 1989. Commander Xiao Xuchu said that the militia and reserve service work tasks in Guangxi this year have been proposed in accordance with the instructions of the general departments and Guangzhou Military Region and in light of Guangxi realities. Xiao Xuchu then stressed the following points:

1. On the ideas and focal points regarding the region's militia and reserve service work this year: In carrying out this work this year, we must continue to implement the guidelines proposed in central document No 22, strengthen the building of the coastal and border defense militia, do a good job in reforming the organization and training of the militia in the interior and the towns, consolidate and enhance the achievements in building the militia and reserve service units, and give full scope to the role of militia and reserve service in economic construction, to make contributions toward invigorating Guangxi's economy and strengthening the reserve forces for national defense. This is the guiding idea and focal point in our work this year.

2. On strengthening the building of the people's armed forces departments: We must strengthen the building of the leadership groups, ensure that the party committees of the people's armed forces departments can fully play their part as the core leadership, improve personnel management work, build a cadre force suited to the requirements of people's armed forces work in the new period, make great efforts to improve the quality of people's armed forces cadres, persistently implement Army rules and regulations, and step up the regularization of the people's armed forces departments.

Wei Chunshu first affirmed the region's achievements in militia and reserve service work last year. He called for extensive education in national defense throughout the region, to further strengthen the national defense concept of the whole people. Centered on reforming organization and training, we must strengthen the all-around building of the militia and reserve service units, and continue to launch the militia to take the lead in economic construction and contribute toward invigorating Guangxi's economy.

Hubei's Guan Guangfu Addresses Cadre Conference
HK2202015989 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 21 Feb 89

[Excerpts] Provincial party committee Secretary Guan Guangfu stressed in a speech to a Xianning Prefectural CPC Committee conference of cadres of three levels on 18 February: In the face of the current temporary difficulties, the province must resolutely implement the guideline on improvement, rectification, and deepening the reforms; give further scope to our party's political strong point; work hard to tap internal potentials; unite as one to overcome the difficulties; regard the readjustment as an opportunity; and strive for steady economic growth and political stability and unity.

Comrade Guan Guangfu said: It is inevitable that temporary difficulties will occur in the course of improvement and rectification. The key lies in what mental approach and what methods we apply to overcome them. Certain attitudes are incorrect. Some people blame everyone and everything but themselves, declaring that nothing can be done. Certain others tenaciously stick to the original mix of overheated economy and swelled heads and fail to cut or retain projects as appropriate; in the face of the difficulties, they can find no way out. There are also certain people who think that it is sufficient just to get by in implementing the central guideline on improvement and rectification; I will follow you in cutting or retaining projects. Work is done in a generalized way and low demands are set. Such attitudes must be shunned.

We must apply the ideological line of seeking truth from facts to implement the guideline on improvement, rectification, and deepening the reforms; analyze our present situation; study ways of overcoming the difficulties; and thus cast aside illusions and prepare for big efforts in the

current work of improvement and rectification. We must work in a arduous pioneering fashion and tighten our belts. We must make tangible readjustments; resolutely cut or retain projects as appropriate; truly succeed in optimizing the product mix and industrial structure; and embark on a path in which economic returns, growth rate, and reserve strength are integrated. In this way our economy can embark on a benign cycle. [passage omitted]

In the new situation of improvement and rectification, it is necessary to integrate strong points in resources, scientific and technological progress, and lateral ties in light of the situation in one's prefecture, county, or city, and develop new ways of tapping potentials and improving economic returns. [passage omitted] At present the universal cry is that there is not enough capital. Is there any way out of this? Actually, places that have done well in exploiting science and technology and promoting lateral ties are by no means short of capital, whereas places that look for assistance from above are at their wits end. At present some localities hold that the policy demarcation lines are unclear and they are afraid of violating discipline; as a result they do not even tap sources of purchases or organize the material supplies required. This problem must be resolved. We must formulate policies for continuing to encourage joint efforts and cooperation and for continuing to invigorate the markets under the state's macroeconomic readjustment. Stifling everything to death does not accord with the spirit of improvement and rectification.

We must guide the peasants to make arduous pioneering efforts and increase investment. At present the agricultural foundation remains very weak. Apart from relying on policies and on science and technology, we must also increase investment. On the one hand, the state must increase investment in agriculture; on the other, and still more important, we must rely on the peasants to increase investment themselves. [passage omitted]

Apart from capital, another and still more practical method is to increase labor input. During the difficult period in the 1960's, when the peasants did not have enough to eat, they were required to tame the waters and mountains and improve the land in a big way. This method of acting beyond our capability was incorrect. However, the peasants' food and clothing problems have now been resolved. Mobilizing the peasants to appropriately increase labor accumulation by engaging in water conservation construction and promoting developmental agriculture has become necessary and practical.

We must rely on science and technology to exploit our resources and give full scope to this strong point. [passage omitted]

We must create conditions and actively organize experiments for gradually popularizing operations on an appropriate scale. Places where the conditions are right should experiment in this in a measured way and embark on a path of specialization, commodity economy, and

modernization. This is the requirement of deepening the rural reforms and also of raising the agricultural productive forces to a new level. Of course, we must be a bit cautious in organizing field cultivation operations on an appropriate scale, but caution does not mean failing to advance. We must carry out experiments and explorations in a planned way under leadership and gradually embark on a practical path. [passage omitted]

Guan Guangfu said in conclusion: We must grasp two ends in party building: 1) Strengthen the building of the party's leadership organs; 2) grasp the building of the grass-roots party organizations. [passage omitted]

In current ideological and political work in the rural areas, we must focus on education in the situation. [passage omitted] We must apply the spirit of the foolish old man who removed the mountains to change customs and habits and guide and teach the masses to eliminate the bad atmosphere and outdated customs of gambling, extravagance, feudal superstitions, and so on. We must also devote still greater effort to building a new rural culture. [passage omitted]

Hubei Meeting Discusses Propaganda Tasks

HK2102012989 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 20 Feb 89

[Excerpts] A provincial meeting of directors of prefectural and city party committee propaganda departments, which concluded on 18 February, proposed that unifying people's understanding and bracing their spirits should be regarded as the main theme in propaganda work this year. The 3-day meeting relayed and studied the spirit of the national conference of propaganda department directors, summed up and exchanged experiences in launching education in the situation, and studied measures for further deepening this education. [passage omitted]

Provincial party committee Secretary Guan Guangfu and other leading comrades gave important views on this year's propaganda work. Deputy Secretary Qian Yunlu held a forum with the participants and also made a speech. [passage omitted]

The meeting stressed that unifying people's thinking and bracing their spirits should be given priority in this year's propaganda work. This should be the basic guiding idea for propaganda work. We must further arm the party members, cadres, and the masses with the theory and line of the 13th party congress, and seriously implement the guideline recently stressed repeatedly by Comrade Zhao Ziyang on grasping the development of socialist commodity economy with one hand and work in the ideological and political field with the other. We must implement in depth the spirit of the 3d Plenary Session of the 13th CPC Central Committee and the fifth provincial party congress, and closely center all propaganda work on improvement, rectification, and deepening the reforms. [passage omitted]

The meeting stressed that it is essential to focus on the following four tasks this year: 1) Strive to deepen education in the situation. 2) Further step up the building of socialist spiritual civilization. 3) Grasp the theme of propaganda work and do a good job in guiding public opinion. 4) Continue to get a good grasp of reforms in propaganda work and step up the building of the propaganda force. [passage omitted]

Hunan Leader Views Rural Enterprise Issues

HK2002032389 Changsha Hunan Provincial Service
in Mandarin 2300 18 Feb 89

[Excerpts] Provincial party committee Secretary Xiong Qingquan and Vice Governors Chen Bangzhu and Yu Haichao yesterday summoned responsible persons of more than 10 provincial departments, together with leaders of prefectures, cities, and counties and township and town enterprise bureau chiefs currently attending a provincial conference on township and town enterprises, to discuss how to speed up the development of these enterprises in the province. [passage omitted]

Xiong Qingquan fully affirmed the achievements in developing these enterprises in recent years. He then gave the following views in light of the situation reported by the participants: Optimize the structure, deepen the reforms, improve management, and change the strategy.

Optimizing the structure means developing projects in a planned way. We must resolutely ensure those enterprises and products with good economic returns and market sales. On the current capital, energy, and raw materials difficulties facing the township and town enterprises, Xiong Qingquan said that the departments concerned should help in solving these problems as far as possible. However, they can mainly be solved only through internal efforts on the part of the enterprises and through deepening the reforms.

Xiong Qingquan pointed out that the question of enterprise management talent is very important. Certain remote areas can bring in capable and talented management personnel from Changsha and elsewhere to develop the township and town enterprises and run them under contracts. We must pay attention to bringing in technical talent and advanced science and technology. New and high technology should be integrated with flexible mechanism.

On changing the strategy, Xiong Qingquan said that the key to agricultural development lies in investment, and in Hunan the township and town enterprises have provided the main sources of agricultural investment capital in recent years. In speeding up the development of these enterprises, we should bring about three shifts: 1) from mainly relying on loans to mainly relying on self-accumulation for development; 2) from relying on external assistance to relying on internal factors to develop reproduction; 3) from blindly chasing after growth rate to

speeding up the development pace on the basis of improving economic returns. In other words, growth rate must be organically integrated with economic returns.

Hunan Meeting Discusses Monetary Problems
*HK2202053189 Changsha Hunan Provincial Service
in Mandarin 2300 GMT 21 Feb 89*

[Excerpts] Hunan's first monetary work conference, convened by the provincial government, opened in Changsha on 21 February. [passage omitted] Chen Bangzhu, deputy secretary of the provincial party committee and acting governor, presided. Vice Governor Yang Huiquan made an important speech. [passage omitted]

Yang Huiquan said that the past year has not been an ordinary year for monetary work. This has been the hardest year for this work. It was a year in which money supply was the largest, credit capital was the tightest, and the experiences and lessons were the most profound. The main problem was that bank deposits of all types dropped sharply, resulting in an all-around shortage of capital supply. This had a serious impact on the province's normal economic operations, and there was strong reaction from all sectors.

There were also a number of problems in the banks. First, excessive loans were issued in the first half of the year, and the increase in the loans far outstripped the economic growth rate. Second, the structure of the loans was irrational, turnaround was slow, and economic returns were poor. Key projects that should have been ensured were not, while things that should have been controlled were not kept well in hand. Third, there was chaos in monetary order. In the face of the capital shortage, some banks only cared about their own interests rather than the overall situation and adopted improper means in operations. As a result, bank capital accounting was seriously hampered, payments could not be guaranteed, and the capital shortage was aggravated. The banks' reputation was thus seriously damaged. Fourth, in the management of credit capital, there was failure to take all-around considerations into account, with the result that the limited capital was not truly used where it was most needed.

Vice Governor Yang pointed out that the capital situation this year remains extremely grim. Resolving the capital supply-demand contradiction has become the key to the province's economic development. The task of the banks is to do everything possible to raise capital for ensuring steady economic growth and preventing stagflation.

He called on the government at all levels to further strengthen leadership over monetary work. The departments concerned should cooperate closely to tide over the difficulties together.

Acting Governor Chen Bangzhu stressed three points: 1) We must vigorously grasp the work of improvement, rectification, and deepening reforms in monetary work

and strive to restore the banks' reputation. 2) The government at all levels must strengthen leadership over monetary work, and all sectors must cooperate to do this work well. 3) In the face of the difficulties, the cadres, staff, and workers of the banking system must brace their spirits, establish confidence, and devise more ways of overcoming the difficulties.

Southwest Region

Guizhou Leader Outlines Economic Reform Tasks
*HK1902064989 Guiyang Guizhou Provincial Service
in Mandarin 2300 GMT 18 Feb 89*

[Excerpts] At the provincial economic structural reform work conference that opened on 18 February, Vice Governor Zhang Shukui proposed a number of work items to be tackled this year. [passage omitted]

1. Unswervingly implement the guideline on improvement and rectification and carry out still better the 13th CPC Congress line on reforms and opening up. We must affirm the reform measures and policies proposed by the provincial party committee and government in recent years and further implement them well.

2. Continue to perfect and develop the contracted management responsibility system and seriously grasp the work of making good the contracts in contracted enterprises. We must also do a good job in carrying out matching reforms within the enterprises, to ensure that the enterprises can gradually develop effective operational, incentive, and self-constraint mechanisms.

3. Actively and steadily organize enterprise mergers, further develop lateral economic ties and consortia, improve the standard of unified handling of assets within the consortia, and promote optimum composition.

4. Organize trial projects in the shareholding system in a measured way, with public ownership as the mainstay. Such trial projects should be carried out under leadership this year and next, on the basis of drawing up charters and regulations.

5. Actively promote reforms in the circulation field. At present, in conjunction with screening and straightening out companies, we should formulate and perfect rules and regulations on markets, gradually establish a relatively effective supervisory system, and curb all types of indiscriminate price hikes. We should gradually form an orderly commodity market with many channels and few middle links.

6. Continue to readjust the ownership structure and actively develop the economy with a variety of ownership systems.

7. Further promote work in reform experimental zones and in cities and counties that are pilot projects in comprehensive reforms. These experimental zones and points should engage in creative and pioneering work under the guidance of the relevant central and provincial policies.

8. Actively promote reforms that play a major role in helping to curb inflation.

9. Strengthen and improve macroeconomic management to ensure that the province's economic operations will be normalized and reach the aim of balancing supply and demand, growth rate, and financial revenue and expenditure.

Guizhou's Liu Zhengwei Stresses Law, Order
HK2102015989 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 20 Feb 89

[Excerpts] Provincial party committee Secretary Liu Zhengwei made an important speech at the provincial political and legal work conference, which concluded on 20 February. He spoke on three issues in light of the current state of law and order work in the province: 1) on the situation in law and order; 2) on comprehensively tackling social order problems; and 3) on strengthening party leadership over political and legal work.

On how to regard the current law and order situation, Comrade Liu Zhengwei said that in analyzing the situation it is essential to view the essence, the main current, and the trends of development. [passage omitted] In the face of the gravity of economic and other crime and the sabotage activities of hostile forces, we must keep cool heads, persevere in the people's democratic dictatorship, and make full use of the weapons of law to crack down hard on serious crime and economic crime and on the sabotage activities of hostile elements.

Liu Zhengwei pointed out that problems in social order are the comprehensive reflection of social contradictions. Only by stepping up the work of tackling them in a comprehensive way can we ease these contradictions and prevent and reduce crime. Hence, tackling social order problems in a comprehensive way is the common task of the whole party and the whole of society. [passage omitted]

Only by persisting in grasping reforms, opening up, the development of commodity economy, and the development of productive forces on the one hand and in grasping ideological and political work on the other can we ease and eliminate the various contradictions in society. This is a long-term and arduous task.

On strengthening party leadership over political and legal work, Comrade Liu Zhengwei stressed that this mainly means applying the party's line, principles, and

policies to unify thinking and action, to ensure that the political and legal departments will strictly enforce the law and handle cases in a fair and impartial way. [passage omitted]

Zhang Yuhuan, chairman of the provincial People's Congress Standing Committee, and Liu Hanzhen, secretary of the provincial Discipline Inspection Commission, also spoke at the meeting. Hu Kehui, secretary of the provincial party committee's Political and Legal Commission, delivered a summation.

Guizhou Secretary on Ideological Work Tasks
HK2202060789 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 21 Feb 89

[Excerpts] A provincial propaganda work conference opened in Guiyang on 21 February. Provincial party committee Secretary Liu Zhengwei made an important speech. He stressed that it is essential to uphold the guideline laid down by the CPC Central Committee on grasping the development of socialist commodity economy with one hand and carrying out work in the ideological and political work with the other, and earnestly do a good job in ideological and political work.

He said: In carrying out ideological and political work, we must guide people by positive example to bring their thinking into line with the spirit of the 13th CPC Congress. They should see the urgency and necessity of reform and also see the long-term nature and difficulties of reform, and continually strengthen their psychological endurance of reforms. We should ensure that people understand that they should not only support the reforms but also truly make great contributions, and even sacrifices, for reform. We cannot take the road back and again pursue the stuff of product economy just because we have encountered difficulties in reform. We should neither totally reject Western things nor mechanically copy them in all respects. Both these extremes are unacceptable.

Liu Zhengwei said that developing socialist commodity economy and carrying out work in the ideological and political field must be undertaken simultaneously; both are indispensable. A country, a nation, or a ruling party cannot just think of material without spiritual things. We should clearly understand that ideological and political work is the lifeline of all our work in the past, at present, and in the future. There must be no wavering or doubting on this point.

At present there are great difficulties in ideological and political work. Some comrades lack the proper courage and zeal on the question of how to deal with difficulties. It is thus urgently necessary to set up a corresponding new system and method of ideological and political work. [passage omitted]

Liu Zhengwei stressed that the current main task in ideological and political work is to continue to conduct thoroughgoing education in the situation. [passage omitted]

Ding Tingmo, deputy secretary of the provincial party committee, attended the meeting. (Tang Zheng), director of the propaganda department, presided.

Governor on Guizhou's 'Own Path of Development'
*HK2302023789 Guiyang Guizhou Provincial Service
in Mandarin 2300 GMT 22 Feb 89*

[Text] Governor Wang Chaowen pointed out at the provincial structural reform work conference on 22 February that Guizhou has scored tremendous achievements during the 10 years of reform. Further emancipating the mind, updating concepts, promoting reforms, and developing the productive forces represent the only way for Guizhou to extricate itself from poverty, invigorate the province, and enrich the people.

Wang Chaowen stressed: We must at present seriously sum up the experiences of the 10 years of reforms. We must do well at integrating the central authorities' general guideline and policy on reform and opening up with Guizhou realities, and be bold to embark on our own path of development based on Guizhou realities. At the same time, we must deepen our understanding of the complexity and difficulty of reform, make further mental preparations for long-term reform, and eliminate unrealistic ideas such as being impatient for success and harboring excessive aspirations regarding current interest in the reforms. Centered on the long-term goal of establishing a new order and setup of socialist commodity economy, we should explore a path of reform and development marked by the province's own characteristics.

This year and next, we must study effective ways of carrying out reform amid economic readjustment and advancing amid reforms. This year we must conduct education in the current situation for the cadres and masses, to enable them to understand more clearly that improvement and rectification are identical with reform. We must adhere to the guideline of grasping commodity economy with the one hand and ideological and political work with the other, give full scope to our political strong point, and boost people's psychological endurance of reform, to ensure the healthy development of reforms and of improvement and rectification.

Wang Chaowen said: Most of the reform measures proposed by the province in the past were identical with the central policies and principles put forward since the 3d Plenary Session of the 11th CPC Central Committee. We must continue to implement them well and must not change them lightly. We should further perfect certain reform measures that are not identical. We must protect the initiative of the grass-roots cadres and masses and draw a clear demarcation line between violations of law and discipline and lack of experience in reforms. We

should encourage everyone to continue to emancipate their minds and be bold in explorations. Matching sets of reforms should be undertaken under leadership and in good order.

At present the most important thing is to arrange enterprises and products in order of priority in light of the industrial development strategic goals and the order of product development, to ensure that the limited capital, electric power, energy, raw materials, and transport are used where they are most needed. In this way we will truly succeed in ensuring the key points, cutting the products in excessive supply, and doing a good job in readjustment.

Governor Wang Chaowen demanded that the government departments regard perfecting the contracts as a long-term work task. In the future the work focus must be shifted to doing a good job in providing services after contracts are initiated and to exploring new experiences in indirect management. We should in every way eliminate the worries of the enterprises and ease their difficulties. At present, on the basis of summing up experiences in contracting in the past 2 years, we should focus on making good the contracts and promoting internal reforms within the enterprises.

Responsible comrades of the provincial party committee, Advisory Commission, People's Congress, government, and CPPCC, including Liu Zhengwei, Su Gang, Zhang Yuhuan, Miao Chunting, He Renzhong, and Liu Yulin, attended the meeting on 22 February. Zhang Shukui, vice governor in charge of day-to-day affairs and director of the provincial structural reform commission, presided.

Guizhou Paper Views Problems, Tasks in Reform
*HK2302030789 Guiyang Guizhou Provincial Service
in Mandarin 2300 GMT 22 Feb 89*

[Report on 23 February GUIZHOU RIBAO editorial: "Boost Confidence, Persevere in Reforms, and Advance Amid Readjustment"]

[Excerpt] [Passage omitted] The editorial points out that at present the province is facing many difficulties. The task of curbing inflation remains very arduous. There is considerable confusion in the circulation order. There are many problems in social order. Ideological and political work is weak, and so on. Continuing to resolve these problems is the urgent call of the masses and is also the inevitable requirement of consolidating and developing the fruits of reform. We must therefore have a clearer idea on the guiding idea and guideline on work for the whole year, that is, we must persevere in grasping the development of socialist commodity economy with one hand and ideological and political work with the other, regard improvement and rectification as the focal

points in reform and construction, persevere in reforms, work with vigor, crack down on crime, and lay a good foundation for new development in the province during the 1990's.

The editorial says that in light of this guiding idea, in carrying out work this year we must get a good grasp of a number of major issues related to the overall situation, highlight the focal points, concentrate efforts, firm up the measures, and produce practical results.

At present the first thing is to continue to unswervingly implement the major policy decisions and arrangements of the CPC Central Committee and State Council, regard improvement and rectification as the focal point in reforms and construction this year, and gradually eliminate overheating in certain aspects of economic life.

Second, we must persevere in reform and overcome the difficulties by deepening the reforms.

Third, we must unify reforms, stability, and development and do a good job in this year's economic work.

Fourth, we must emancipate our minds and also crack down on crime.

Fifth, while working hard to develop commodity economy, we must get a good grasp of work in the ideological and political field.

Sichuan Party Plenum Sets 1989 Work Tasks
*HK2302012189 Chengdu Sichuan Provincial Service
in Mandarin 2300 GMT 22 Feb 89*

[Text] The 3-day Fourth Plenary Session of the Fifth Sichuan Provincial CPC Committee concluded in Chengdu on 22 February. During the session Comrade Yang Rudai reviewed work last year, analyzed the current situation, and gave important views on this year's work tasks.

Last year, guided by the basic line on the initial stage of socialism laid down by the 13th National CPC Congress, the provincial party committee seriously implemented the series of instructions of the CPC Central Committee and State Council and scored notable achievements in all work. Urban and rural economic structural reform was further deepened, new progress was made in opening up to the world, and economic strength was boosted. Political structural reform took a gratifying step forward. A lot of work was done in party-building, and the province started to explore new paths in this work. The building of spiritual civilization and of democracy and the legal system was stepped up. The party's unity and cooperation with the democratic parties and the patriotic figures of all sectors showed new development.

Generally speaking, the province's economic and political situation is good, but there are also problems that cannot be neglected, such as excessive demand, overheated economy, and weak ideological and political work.

The session held lively discussions on the current situation and on the main points of the provincial party committee's work for this year, and approved these main points. In this, the first year of improvement and rectification, all the provincial party committee's work must be guided by the party's basic line, and it must seriously implement the guideline on improving the economic environment, rectifying the economic order, and comprehensively deepening the reforms. It must grasp the development of socialist commodity economy with the one hand and work in the ideological and political field, and especially party building, with the other. The provincial party committee's five main points of work for this year are as follows:

1. Implement in depth the spirit of the 3d Plenary Session of the 13th CPC Central Committee and do a thoroughly sound job in improvement and rectification work.
2. Starting with education in the situation, strengthen and improve ideological and political work, to boost people's understanding, support, and confidence in reform.
3. Tangibly strengthen party-building and give scope to the party's core leadership role.
4. Actively and cautiously promote political structural reform and step up the building of socialist democratic politics.
5. Do a good job in comprehensively tackling social order problems and preserve and develop the political situation of stability and unity.

Gu Jinchi and Feng Yuanwei, deputy secretaries of the provincial party committee, attended and presided at the session. Present were 44 members and 9 alternate members of the provincial party committee. Central Advisory Commission members in Sichuan, members of the provincial advisory and discipline inspection commissions, responsible party-member persons of the provincial People's Congress Standing Committee and people's government, principal responsible persons of provincial-level party and mass departments, and responsible persons of prefectural and city party committees attended as observers.

Sichuan's Yang Rudai on Political, Legal Work
*HK2002014389 Chengdu Sichuan Provincial Service
in Mandarin 2300 GMT 19 Feb 89*

[Excerpts] A provincial political and legal work conference was held by the provincial party committee from 17 to 19 February. The meeting relayed the spirit of the central political and legal work conference, analyzed the current

state of law and order in Sichuan, and specified the guiding ideas and the future tasks, with the emphasis on concrete measures for improving social order at present.

Provincial party committee Secretary Yang Rudai attended the conference throughout and made an important speech. He called on the party committees at all levels to further strengthen leadership over political and legal work, and mobilize the forces of the whole of society to organize concentrated efforts to crack down on crime and straighten out and tackle the problems in a comprehensive way, in an effort to ensure that the state of public order this year will be better than last year.

The meeting held that it is not enough to rely on the political and legal departments to resolve the law and order problems. It is essential to mobilize the forces of the whole of society to tackle the problems in a comprehensive way and eliminate the factors for instability that menace society. [passage omitted]

The 20 February SICHUAN RIBAO reports on this conference in detail and also publishes a commentator's article entitled "Strike Down the Arrogance of the Criminal Elements."

Tibet Government Sets Current Work Tasks
HK2302014789 Lhasa Tibet Regional Service
in Mandarin 1130 GMT 22 Feb 89

[Text] In order to further implement the spirit of the important central instructions on work in Tibet—grasp economic construction with one hand, stabilize the situation with the other, and tackle the problems in a comprehensive way, including by carrying out ideological and political work—the Tibet Regional Government has proposed eight [as heard] main work tasks for the first half of the year in light of the realities of work in the region.

In order to firm up all government work and ensure a fine start to economic work in the region this year, Regional Government Chairman Doje Cering and Vice Chairmen Mao Rubai, Gyibug Puncog Cedain, Tudao Doje, and Gong Daxi recently went down to the grass-roots frontline to investigate and study.

1. [as heard] Check on the implementation of the important central instructions on work in Tibet and of the spirit of the seventh enlarged plenary session of the third regional party committee and the regional conferences on agriculture and animal husbandry and on planning and finance.
2. Strengthen leadership over work in the first half of the year, and study and resolve new trends in economic development and contradictions and problems in current work.
3. Resolve on the spot the existing problems in spring farming and help the prefectures and counties to arrange their work and achieve bumper harvests this year.

4. Tangibly improve work style and stimulate the initiative and creativity of the grass-roots organizations and cadres by playing a model and leading part.

5. Care for the masses' woes, resolve practical problems, and do a good job in providing services. Listen to the grass-roots views and suggestions on government work.

Tibet Cadres Study, Hail Central Instructions
HK1902014789 Lhasa Tibet Regional Service
in Mandarin 1130 GMT 18 Feb 89

[Text] In recent days, senior cadres of the organization department of the regional party committee have seriously studied the important central instructions on current work in Tibet and the spirit of the seventh enlarged plenary session of the third regional party committee. They are resolved, under the direct leadership of the regional party committee, to do still better at organizational and cadre work throughout the region.

Everyone held during the studies: The central instructions and the arrangements made by the regional party committee in light of these instructions are very appropriate and fully accord with Tibet realities. They have again pointed out the orientation for work in Tibet and explicitly stated the general guiding idea for work in Tibet for a time to come. They are of major guiding significance for making a success of work in Tibet.

Some comrades said: The core of the central instructions is to develop the economy and stabilize the situation. They demand that we grasp economic construction, reforms, and opening up with one hand and stabilize the situation and wage the struggle against separatism with the other. We should seek stability amid construction and seek development amid stability. Construction is the basis of stabilizing the situation, and a stabilized situation is the guarantee for construction. We cannot again taste the bitterness of advancing only on one leg.

The comrades held: The central authorities have thoroughly grasped and accurately identified the work in Tibet. In particular, the instructions are extremely explicit on the major policy issue of whom to rely on, with whom to unite, and whom to crack down on. In accordance with the central instructions, the regional party committee has proposed four conditions for developing Tibet's economy: Stabilize the leadership groups, stabilize the policies, stabilize the situation, and stabilize people's minds. These have fundamentally explained the relationship between construction and stability and are bound to further arouse the masses of all nationalities in the region to brace their spirits and work actively to develop the productive forces.

Everyone said with feeling after reviewing the positive and negative experiences of the past: The best years of ethnic unity in Tibet were also the period when construction proceeded most rapidly and social order was best. Hence, strengthening unity in all respects is of particular

importance in Tibet. In laying stress on unity, the central instructions have hit the nail on the head in work in Tibet and grasped the essence of this work.

Coming out with less empty talk and doing more practical things is an important criterion set by the regional party committee for improving work style and providing good service for the people [words indistinct]. Discarding the style of putting on airs and engaging in formalism and instead making great efforts in practical deeds means gaining the trust of the people and serving them.

After the political line has been determined, cadres are a decisive factor. Everyone said: The organization departments are major functional departments of the party committees, shouldering the important burden of the party's organizational and cadre work. The performance of these departments is directly related to implementing the central instructions and the regional party committee's arrangements. They profoundly felt the gravity of their responsibility. They pledged to consciously uphold the authority of the regional party committee, go all-out to support the committee's work, and provide the organizational guarantee for implementing the central instructions and the regional party committee's arrangements.

North Region

Beijing's Li at Liberation Anniversary Gathering
SK2002074689 Beijing BEIJING RIBAO in Chinese
29 Jan 89 p 1

[Excerpts] Time flies like an arrow and it has already been 40 years since the peaceful liberation of Beijing City. On the morning of 28 January, the Beijing Hall inside the Great Hall of the People was filled with a joyful atmosphere. Some 100 veteran comrades who had made contributions to the peaceful liberation of Beijing City happily got together to mark the occasion.

The participants included veteran comrades who joined in the military struggle and peaceful dialogue for the city's liberation; veteran Communist Party members who had long been engaged in the underground struggle in the city; Army and government personnel of the KMT [Kuomintang], who followed General Fu Zuoyi in being incorporated into the communist force; and responsible cadres who assumed leading posts after the city's liberation. Although time has dyed their hair white, the participants were still full of vigor and enthusiasm thanks to enjoying the recollections of the great historic movement that occurred 40 years ago.

Chen Xitong, mayor of the municipality, presided over the forum and delivered a speech in which he extended a warm welcome to the participants and the participating friends on behalf of the Beijing Municipal CPC Committee and the municipal people's government. [passage omitted]

During the forum, Comrade Li Ximing, secretary of the municipal party committee, first delivered a speech in which he stated: Under the pressure of the successive victories of the people's liberation war 40 years ago, Beijing City was emancipated in the "form" of waging a struggle without shedding blood in line with the party's eight conditions for peaceful dialogue. In waging the struggle for peacefully emancipating the city, the heroic PLA, the cadres and people of liberated areas, the CPC underground organizations in the city, the student and worker movements guided by these organizations, and the patriotic personages of various circles made great contributions to the liberation. General Fu Zuoyi, supreme commander of the KMT north China armed forces, resolutely ended KMT rule by Chiang Kai-shek by proceeding from the cardinal principles of national righteousness, taking the motherland's peaceful reunification into account, and abiding by the common will of the people. Thus, he converted the nation's chaotic situation to a peaceful one, brought about the peaceful incorporation of armed forces of the two sides, and made an important contribution to the city's peaceful liberation. The people throughout the municipality will never forget the historic achievement scored by General Fu Zuoyi. The peaceful liberation enabled the old city to conclude its dark ancient history; to turn itself into the capital of the new socialist China—Beijing; and to begin to write its new historic chapter.

In his speech, Li Ximing stated: Over the past 40 years, the people throughout the capital have succeeded in eliminating the society left over by the old and in pioneering a road to a bright future by fully displaying their political enthusiasm, engaging in labor in a creative way under the leadership of the CPC Central Committee and the State Council. Over the past 40 years, the municipality has built some 149 million square meters of new housing, an approximately seven-fold increase over the total housing space in 1949. Undertakings in science, education, culture, and physical culture and sports have achieved great development. The municipality has a large number of scientific research institutes with quite a high standard and of facilities of education, culture, public health, and sports. The municipality has built an industrial system with a certain scale and a variety of products among both large and small industrial enterprises. Agricultural production conditions have experienced obvious changes and the rural commodity economy has achieved rapid development, resulting in a new economic framework of rural areas with the characteristics of suburbs of the capital. The municipality has also greatly upgraded its production standard. The 1988 total industrial and agricultural output value is expected to reach more than 49 billion yuan, an approximately 250-fold increase over 1949. The municipality has achieved greater development in railroad, highway, and airline transportation, as well as in postal and telecommunications undertakings. The municipality has, to date, turned itself into the traffic and telecommunications center of the country. It has scored marked achievements in commerce, the service industry, and foreign trade. The economic development and an increase in the national

income have enabled the standard of the people's livelihood to become higher. Of the past 40 years, the 10-year period of reform has been most prominent, because those are the years in which the municipality has achieved prosperous development, brought vigor to all undertakings, and realized practical benefit for the people.

In his speech, Li Ximing stated: A period of 40 years has passed, and our achievements have already become history. Hereafter, the municipality will shoulder heavier tasks in building socialist modernization and its future will become more sublime. The people throughout the municipality will certainly be able to arouse themselves for vigorous efforts to make the capital prosperous, to work hard, to unite as one in waging the struggle, and to win an even more brilliant victory in the next 40 years. [passage omitted]

Attending the forum were leading comrades from the municipal-level organs, including Li Qiyang, Wang Jialiu, Wang Guang, Li Jinmin, Li Zhijian, Zhang Jianmin, Yuan Liben, An Lin, Zhao Pengfei, Ma Yaoji, Li Guang, Xia Qinlin, Xing Jun, Tan Yizhi, Tao Dayong, Chen Mingshao, Rong Yi, Wu Yi, Lu Yucheng, He Luli, Bai Jiefu, Feng Mingwei, Guan Shixiong, Sun Fuling, Zhang Mingyi, Li Bokang, Xia Xiang, Xu Jialu, Zhu Chenyu, Juie Guanqing, Chen Zhongyi, Gan Ying, and He Shangchun; Duan Junyi, former first secretary of the municipal party committee; Jiao Ruoyu, former mayor of the municipality; Ping Jiesan, adviser to the central United Front Work Department; former leading comrades of the municipal-level organs, including Li Baohua, Rong Zihé, Zhang Youyu, Cheng Hongyi, Cui Yueli, Yang Bojian, Chai Zemin, Ma Yuhuai, Zhao Fan, Zhang Zhixiang, Wang Chun, Yu Diqing, Yang Yunyu, Wang Hanbin, Lu Yu, Zhang Qingji, Zhang Dazhong, Wang Fu, Gu De, Yan Jingqing, He Yizhang, Li Chen, Peng Siming, Du Ru, Song Ding, Son Rufen, Shi Huaibi, Jia Xingwu, and Liu Yong; personnel concerned under the commanding of General Fu Zuoyi, including Yang Gefei, Liu Chunfang, Zhi Nanping, Quan Qingwen, Liu Yaozhang, Liu Fengchu, Huang Xiang, Ling Huli, Weng Linxi, Yu Jie, Ma Wanzhong, and Xiao Dong; and representatives from various social circles, responsible persons of various democratic parties, and responsible personnel from the departments concerned.

Li Ximing Attends Beijing Army-Government Forum
SK2402072089 Beijing BEIJING RIBAO in Chinese
1 Feb 89 p 1

[Excerpts] Cheers and laughter filled the Beijing room of the Great Hall of the People on the afternoon of 31 January. Leading comrades of Beijing Municipality and the People's Liberation Army [PLA] units stationed in Beijing happily gathered together to attend an Army-government forum.

Attending the forum were Yang Baibing, director of the General Political Department of the PLA; Han Huaizhi, deputy chief of General Staff of the PLA; Zhou Wen-yuan, deputy director of the General Political Department of the PLA; Zong Shunliu, deputy director of the

General Logistics Department of the PLA; Chen Peimin, deputy political commissar of the Beijing Military Region; Xing Yongning, deputy commander of the Navy of the Beijing Military Region; Yang Guoliang, deputy commander of the II Artillery Corps; Xie Guang, vice minister of the Commission of Science, Technology, and Industry for National Defense; and leading comrades of Beijing Municipality, including Li Ximing, Chen Xitong, Zhao Pengfei, Bai Jiefu, Li Qiyang, Wang Jialiu, Wang Guang, Li Jinmin, Li Zhijian, Meng Zhiyuan, Yu Liben, He Luli, and Tie Ying. Army and local leading comrades cordially met with each other and mutually expressed wishes for a happy Spring Festival.

Comrades Li Ximing and Chen Xitong made speeches at the forum. They thanked the commanders and fighters of the PLA units stationed in Beijing for their great contributions to the capital's two civilizations made over the past year. [passage omitted]

Leading comrades of the PLA units, including Yang Baibing and Zhou Wen-yuan, made speeches at the forum. In their speeches, they spoke highly of Beijing Municipality's work of supporting the Army and giving preferential treatment to families of revolutionary army-men and martyrs and thanked the people in Beijing for supporting the PLA. Both Army and local leading comrades stated that during this new year, they will better launch the campaign of supporting the Army and giving preferential treatment to families of revolutionary army-men and martyrs and the campaign of supporting the government and cherishing the people and strive to promote the campaign of army-men and civilians jointly developing socialist spiritual civilization to a new level. That evening, leading comrades attended the Spring Festival soiree at the Great Hall of the People, attended by more than 8,000 army-men and civilians.

Li Visits Beijing Agricultural Construction Company
SK2302102489 Beijing BEIJING RIBAO in Chinese
1 Feb 89 p 1

[Text] On 31 January, Li Ximing, secretary of the municipal party committee, paid Spring Festival calls and extended festive greetings to the staff and workers of the municipal agricultural construction general company, who were fighting in the forefront of the capital's urban and rural construction. Comrade Li Ximing met with more than 300 representatives of advanced units and individuals who attended the 1988 annual meeting to summarize and commend experiences, which was sponsored by the general company, and congratulated the agricultural construction front for their achievements in developing production in 1988. After hearing the work report delivered by Yuan Hesheng, president of the company, Li Ximing pointed out that agricultural construction is emerging, developing, improving, and advancing in the course of reforms and that persisting in reforms is a fundamental experience in developing agricultural construction. He urged the vast number of cadres and the masses on the agricultural construction

front to overcome difficulties; advance unswervingly along the road of reforms; and exert efforts to deepen reforms, promote scientific management, and march toward high efficiency.

Hebei Uses Foreign Funds To Develop Agriculture
OW2302000389 Beijing XINHUA in English
1539 GMT 21 Feb 89

[Text] Shijiazhuang, February 21 (XINHUA)—An agricultural development program in Shexian County, Hebei Province, will start later this year with aid from the World Food Program (WFP) of the United Nations.

The program, aimed at improving agricultural conditions in mountainous areas, will receive 64,910 tons of wheat valued at 11.68 million U.S. dollars during the 5-year contract period.

According to an official from the county government, the funds will be used to construct water-conservation facilities and reform low-yielding farm lands within a boundary of 91,000 hectares (ha).

He said the final aim is to raise the average output per ha from the present 1,086 kilograms (kg) to 3,000 kg and get rid of Shexian's title of "the poorest county in Hebei Province."

Over the past few years, the province has adopted several ways of utilizing foreign funds to develop agricultural production. So far, a total of 60.65 million U.S. dollars has been used to develop 6 agricultural programs, including improving saline-alkali land and developing aquatic breeding.

In Quzhou and Nanpi counties, where loans of 2.5 million U.S. dollars from the International Agricultural Development Foundation were used to reform more than 30,000 ha of saline-alkali land between 1983 and 1987, total grain output has been increased by 83 percent compared with 5 years previously. As a consequence, total agricultural income rose 4.5 times.

Quzhou County, which used to be dependent on government relief, can now hand in 10 million kg of grain to the Government every year. The average income of farmers there has risen to 400 yuan from 100 yuan a few years ago.

Chen Jiaxiang, of the provincial agriculture department, said that Hebei will continue to use foreign funds to develop agriculture and the focus will be on the support of poverty-stricken areas.

At present, preparations are underway for a large number of agricultural programs to be developed with foreign funds, including the construction of a quality cotton production base covering 660,000 ha and the development of 40,000 ha of paddy rice. These two programs will use 150 million U.S. dollars in loans from international financial organizations.

Inner Mongolia's Wang Qun on Economic Issues
SK2302072489 Hohhot Inner Mongolia Regional
Service in Mandarin 1130 GMT 22 Feb 89

[Text] This morning, Wang Qun, secretary of the regional party committee, and Liu Zuohui, vice chairman of the regional government, went to the guesthouse of the military district to hold a forum of delegates who were attending the regional economic and trade conference.

During the forum, Comrades Wang Qun and Liu Zuohui aired their views on the questions raised by delegates concerning the sources of goods, prices, systems, outlets, funds, and transportation. While touching on foreign trade work, Wang Qun said: The foreign trade work has a bearing on the autonomous region's economic development. What is encouraging is that the governments at all levels and all departments and units have placed foreign trade work high on their agenda, thus promoting the development of foreign economic and trade work. The foreign trade departments have played an active role in our region's agricultural and animal husbandry development and in technological imports and transformation of industrial enterprises. At present, the foreign trade departments have not only established companies in Guangzhou and Shenzhen, but also in some countries. These companies have provided much valuable experience for us in doing business. These experiences showed that as long as we battle difficulties and blaze new trails, we will be successful.

He said: Great changes have taken place in the current international situation, offering us favorable conditions for carrying out foreign trade work. We have Manzhouli outlet and the advantages of having the natural resources of sheep wool. We should recognize these favorable conditions, and rely on deepening reform to overcome all kinds of difficulties and to open up a new path.

While touching on sheep wool's market management, Vice Chairman Liu Zuohui stressed: We must manage the sheep wool market well, guarantee the quality of sheep wool, and control its prices.

Secretary Wang Qun interrupted and said: [words indistinct] will hurt agriculture. This is a lesson which we must draw.

Secretary Attends Inner Mongolia Party Meeting
SK2202074089 Hohhot Inner Mongolia Regional
Service in Mandarin 1130 GMT 20 Feb 89

[Text] On the afternoon of 20 February, the autonomous regional party committee held a meeting of party members at or above the department and bureau levels of the organs directly under the regional authorities to report the situation of the regional party committee's Standing Committee in studying Comrade Zhao Ziyang's important speech on strengthening the building of party style, as well as the arrangements for the building of party style in the region.

Attending the meeting were Wang Qun, secretary of the regional party committee, and Bu He, Zhang Dinghua, Qian Fenyong, and Batubagen, deputy secretaries of the regional party committee. The meeting was presided over by Comrade Wang Qun. Comrades Zhang Dinghua and Qian Fenyong relayed the pertinent guidelines of the central authorities.

After reporting the situation of the regional party committee's Standing Committee on studying Comrade Zhao Ziyang's important speech, Comrade Bu He set demands on strengthening party-building in line with the reality of the region. Comrade Bu He said: In strengthening party-building, we are faced with the task of doing solid work. Instead of grasping the study of reports and documents, we should vigorously grasp the concrete implementation of measures among specific departments in order to really yield results.

Referring to the current work, Comrade Bu He pointed out: In grasping the building of party style, we should first begin with leading bodies and with top party and government leaders at all levels. The regional party committee should set an example, and the six major departments of the region should take the lead in strengthening the building of party style immediately, beginning with leaders themselves, so that they can list party-building as an important item on their daily agenda. Leaders should set demands on themselves, and should assume responsibility for party-building of the departments at the next lower level. All leagues, cities, banners, and counties should do the same. From the performances in this regard, we can see whether a leading body is working in unity, whether it is highly aware of party spirit, whether it is effective in leadership, and whether it enjoys high prestige among the masses. This is the most practical assessment for leading bodies at all levels.

Second, we should begin with the foundation. 1) Top priority should be given to the study of basic theories, with the focus on the important directions given by the central authorities with regard to party-building since the convocation of the 13th party congress and on the speech made by Comrade Zhao Ziyang when meeting with the representatives of the Central Party School, the party-building research class, and the national discipline inspection work conference. Various major organs, including departments, commissions, general offices and bureaus, and various leagues, cities, banners, and counties in the region should all conscientiously organize study and discussions. The regional party committee has decided to sponsor training classes on party-building at the regional party school for training the top party and government leaders of the leading bodies at or above the banner and county levels on a rotating schedule. Through the method of studying, discussing, and improving simultaneously, these leaders should be enabled to solve problems with regard to strengthening party-building, and further separating the party from the government. 2) We should continue to deeply grasp the education on the current situation and tasks. This work

must be implemented at the grass-roots level. We should conscientiously summarize the experiences gained from the preceding stage, and pay attention to solving the problems encountered in the education of the preceding stage. We should grasp the education, management, and disciplinary supervision over party members by regarding this as systems engineering. 3) We should perfect the inner-party systems, and attend to organizational activities. Appraisals for cadres should be conducted on the basis of carrying out experiments, and the quality of appraisals should be ensured. Party leading cadres at all levels should conscientiously lead a dual-organizational life. Organizational departments under party committees at all levels should conduct examination and give guidance to their dual-organizational lives.

Third, we should begin with the grasping of typical cases. At present, we should first grasp the investigation and handling of major and appalling cases. Severe punishment should be imposed on those party members who engage in such crimes as graft, bribery, racketeering, abuse of powers, dereliction of duty, and illegal dealings, and who seriously sabotage economic order and infringe upon the interests of the masses. We should strive to thoroughly solve problems by comprehensively applying the legal, administrative, institutional, disciplinary, and educational means. Those major cases which have already been placed on file should be investigated through to the end, and conclusions should be made by seeking truth from facts. Those party members who have violated party and administrative disciplines and the laws should be dealt with seriously and conscientiously. At the same time, attention should be paid to the education through positive examples in order to foster good and positive examples.

Fourth, we should begin with matters most conspicuous at present, with matters with which the masses are concerned most, and with matters which we can solve. At present, in strengthening party-building, we should give prominence to building honest and clean leading bodies. Party and government organs at all levels should change their functions, improve their work style, and firmly foster the idea of serving the grass-roots level, in line with the guidelines of the 13th party congress. At present, in addition to studying the party constitution and the guiding principles for inner-party political life, party members should conscientiously study and implement the summary of the Secretariat of the party Central Committee on encouraging party and state organs to be honest and clean under the new situation; should be devoted to their duties; and should correctly and effectively exercise their powers. In building honest and clean leading bodies, we should also attend to the comprehensive administration over laws, administration, systems, discipline, and education. Comrade Bu He said: The building of systems is important. All systems, however good, have loopholes. Therefore, we must enhance our awareness in party spirit, strive to do what we demand others to do, be honest and clean in performing official duties, and abide by discipline and laws.

Fifth, we should under no circumstances forget the principle of grasping party-building with one hand and grasping reform and economic construction with the other. In grasping party-building, we aim to give better play to the leading role of the party in building the four modernizations and in carrying our reform and opening up. The masses' views on the party represent, in fact, their views on reform, because party-building is linked with reform, opening up, and economic construction. Therefore, in the course of grasping party-building with one hand, we must unfailingly grasp the reform and economic construction of the region. At present, to achieve success in the political structural reform of the region, we must follow the general principles of implementing the guidelines of the regional meeting of league and city party committee secretaries; continuously improving the economic environment, rectifying the economic order, and comprehensively deepening reform; striving to stabilize commodity prices and markets; and striving to readjust the economic structure with a view to ensuring a steady and coordinated development of the regional economy.

Comrade Bu He pointed out: In fulfilling the tasks of party-building, the key lies in our conscientious and meticulous work. In investigating and handling cases, we must seek truth from facts, and do conscientious and meticulous work. In other words, we should never wrong a single good person nor let off a single bad one. In the field of conducting criticism and self-criticism and the field of improving some systems, we are faced with a relatively complicated situation, and therefore we should not be overanxious for quick results. As long as we do conscientious work and give gradual guidance, we will be able to achieve results. I believe that through the great efforts of the people throughout the region, we will certainly achieve fruitful progress in party-building in the region.

Wang at Inner Mongolia Retired Cadres Ceremony
SK2302071489 Hohhot NEIMENGGU RIBAO
in Chinese 28 Jan 89 p 1

[Excerpts] On the afternoon of 27 January, the regional party committee and the regional government held a grand ceremony to issue certificates of honor to 179 veteran cadres at or above the department and bureau levels who retired from the organs directly under the jurisdiction of the region in 1988, to cite their glorious revolutionary history, and to voice the respect and love for them of the people of various nationalities across the region.

Leading comrades, including Wang Qun, Bu He, Zhang Dinghua, Qian Fenyong, Batubbagen, Zhou Rongchang, Wen Jing, Hao Xiushan, Shen Xifa, and Shi Shengrong, attended the ceremony. Also present at the ceremony were Ting Mao, Kong Fei, Wang Duo, Wang Zaitian, and Gao Zengpei.

Before the ceremony, regional leaders cordially met with the retired veteran comrades participating in the ceremony, and wished them a happy Spring Festival. The reception hall was permeated with a harmonious and warm atmosphere.

Regional leaders issued certificates of honor to retired veteran cadres amid the solemn music accompanied by drumbeats. Young Pioneers presented flowers to them and delivered congratulatory speeches at the ceremony. The veteran cadres' faces were glowing with health and joy.

On behalf of the regional party committee and the regional government, Zhang Dinghua, deputy secretary of the regional party committee, made a speech. He said: The veteran comrades who received certificates of honor today joined the revolutionary ranks during the war of resistance against Japan and the war of liberation. During the past several decades of your revolutionary careers, you went through various kinds of trials, made prominent contributions to the party's undertakings, and made great achievements in the autonomous region's establishment and construction. Although retired, you accomplished the great, glorious, historical mission undertaken by the veteran cadres under the new historical age by supporting a large number of young and middle-aged cadres' growth. The party, the people, and our descendants will always remember and never forget the veteran cadres' historical meritorious service. [passage omitted]

On behalf of the retired cadres, Li Zixin stated that although they retired from their work posts, they will never ideologically, politically, and organizationally retire, and they will never change their revolutionary will. They pledged that during their remaining years, they will continuously care for the autonomous region's construction, make contributions to unifying and building Inner Mongolia and realizing the region's three short-term fighting goals, maintain their integrity, and continue to write their own history well.

Inner Mongolia People's Congress Meeting Opens
SK1902112589 Hohhot Inner Mongolia Regional
Service in Mandarin 1130 GMT 17 Feb 89

[Text] The Fifth Standing Committee Meeting of the Seventh Inner Mongolia Autonomous Regional People's Congress opened in Hohhot this morning. Batubagen, chairman of the autonomous regional People's Congress Standing Committee, presided over the meeting. Badalahu, secretary general of the autonomous regional People's Congress Standing Committee, gave a brief explanation on the proposed agenda of this meeting. Badalahu said: Formulation of the Inner Mongolia Autonomous Region regulation for autonomy is a major event that the people of various nationalities throughout the region are concerned about and also an important task for the legislative work of the autonomous regional People's Congress and its Standing Committee. The regulation for autonomy is a basic regulation of the autonomous region. We should

work out a good regulation for autonomy that conforms both to the Constitution and the relevant stipulations of the law on regional national autonomy and to the actual conditions of the autonomous region. This requires a great amount of work. We should submit the regulation to the People's Congress Standing Committee for repeated discussions and revisions so that it can be improved continuously and refined.

Badalahu said: To protect the healthy growth of the minors of various nationalities throughout our region and provide a good environment for their growth, we should formulate the Inner Mongolia Autonomous Region regulation for protecting minors. After repeatedly soliciting opinions from various quarters and revisions on many occasions, the autonomous regional leading group for drafting the regulation for protecting minors formulated the Inner Mongolia Autonomous Region draft regulation for protecting minors. Chairmanship meetings held that the regulation may be submitted to standing committee meetings for discussions so that it can be further modified based on the opinions given at the discussions and be refined as soon as possible.

Badalahu said: Making use of the abundant water areas to develop fishery is one of our region's economic advantages. To promote our region's fishery, it is very necessary for us to formulate methods for enforcing the fishery law in line with the stipulations of the fishery law at an early date. The Inner Mongolia Autonomous Region draft methods for enforcing the PRC fishery law drafted by the autonomous regional agricultural commission were already discussed at the executive meetings of the autonomous regional government. Chairmanship meetings of the autonomous regional People's Congress Standing Committee agreed that the methods were submitted to this meeting for discussions so that they can be further modified based on the opinions given during the discussions.

This morning's meeting approved the proposed agenda of the Fifth Standing Committee of the Seventh Inner Mongolia Autonomous Regional People's Congress. Butegeqi, vice chairman of the autonomous regional People's Congress Standing Committee, gave an explanation on revisions of the Inner Mongolia Autonomous Region draft regulation for autonomy. Zhang Cangong, vice chairman of the autonomous regional People's Congress Standing Committee, gave an explanation on revisions of the revised draft of the work regulation for the Standing Committee of the Inner Mongolia Autonomous Regional People's Congress. Bai Junqing, vice chairman of the autonomous regional People's Congress Standing Committee, gave an explanation on the Inner Mongolia Autonomous Region draft regulation for protecting minors. Participants to the meeting heard reports by the autonomous regional government on fulfillment of the autonomous regional economic and social development plan for 1988 and arrangements for the 1989 plan and on arrangements for the autonomous regional

budget for 1989. They also heard an explanation on the Inner Mongolia Autonomous Region draft methods for enforcing the PRC fishery law.

Also attending the meeting were Xu Linren, Liu Zhenyi, and Sha Tuo, vice chairmen of the autonomous regional People's Congress Standing Committee. Liu Zuohui, vice chairman of the autonomous regional government; Yang Dalai, president of the autonomous regional Higher People's Court; and Zhang Hesong, chief procurator of the autonomous regional People's Procuratorate, attended as nonvoting delegates.

Inner Mongolia Rail Line Construction Planned
HK2002074889 Beijing CHINA DAILY
(BUSINESS WEEKLY) in English
20 Feb 89 p 4

[By staff reporter]

[Text] China is going to start construction of the country's longest local railway line in Inner Mongolia Autonomous Region this year.

The 948-kilometre long railway line will start from Jining and terminate at Tongliao in the northern part of Inner Mongolia Autonomous Region, said Li Hengfu, senior engineer of the China Local Railway Association under the Ministry of Railways.

The railway line is scheduled to be completed in 1993.

The project is funded by the Ministry of Railways and the government of the Inner Mongolia Autonomous Region with an investment of 1.23 billion yuan.

According to Li, the local government has lent \$150 million from World Bank loans for the single-track railway line.

The line will alleviate the shortage of coal in the country's northeastern area, particularly in Jilin Province. There is a large amount of coal in the area around Zhunge'er in the western Inner Mongolia Autonomous Region and Shanxi Province.

Li said in an interview that the railway line is designed to transport 17 million tons of goods per year.

Northeast Region

Liaoning Holds Conference on Liaodong Peninsula
SK1902114089 Shenyang Liaoning Provincial
Service in Mandarin 1030 GMT 17 Feb 89

[Text] The provincial party committee and government today held their second work conference on further opening Liaodong peninsula to the outside world. Provincial Governor Li Changchun gave a report entitled "Intensify Our Province's Work of Opening to the Outside World in the Process of Improvement and Rectification."

This conference was another important one after last year's work conference on opening Liaodong peninsula to the outside world. Its central content was implementing the guidelines of the forum on coastal areas' opening to the outside world held by the central authorities, summarizing last year's development of opening up to the outside world and the export-oriented economy, and mobilizing the masses of cadres and ordinary people throughout the province to carry out the endeavor of improvement and rectification with concerted and resolute efforts, to firmly implement the strategy for the development of coastal areas, and to further promote opening of Liaodong peninsula to the outside world in the process of improvement and rectification so as to push our province's work of opening to the outside world up to a new stage.

In his report, Provincial Governor Li Changchun first affirmed our province's achievements in opening to the outside world scored last year. He said: The year 1988 was the first year Liaodong peninsula was opened to the outside world. Under the leadership of the provincial party committee and government, our province made an encouraging step forward in opening to the outside world and scored notable achievements. Foreign trade developed rapidly. Last year, the province's foreign export trade totaled \$3.874 billion, an increase of 3.1 percent over the preceding year. The foreign exchange earned from the exports of Liaoning's local products reached \$1.887 billion, setting an all-time record again. The province also achieved notable results in foreign capital utilization. Last year, it signed 609 foreign capital utilization contracts, whose transactions totaled \$1.79 billion, showing an increase of 193.5 percent over the preceding year. Chinese-foreign joint ventures and cooperative enterprises and exclusively foreign funded enterprises also showed [words indistinct] development. New progress was made in the three tasks related to foreign countries. The planned targets for technology export and equipment import were overfulfilled, and new progress was made in contracts for construction projects and labor service cooperation with foreign countries. Since last year, more than 100,000 tourists have come to our province, creating more than \$56 million in foreign exchange. In reviewing the situation in implementing the strategy for coastal areas, we should also refrain from overestimating our province's situation in opening to the outside world. What we achieved was only a good beginning, and we are still lagging far behind the coastal areas in southeast China. In particular, the many new situations, new problems, and new difficulties in implementing the strategy for the development of coastal areas that we encounter in carrying out our present endeavor of improvement and rectification urgently require us to conduct in-depth study, unify our thinking, and clarify our direction.

Provincial Governor Li Changchun emphasized: We should correctly understand and properly handle the relationship between the endeavor of improvement and rectification and the implementation of the strategy for the

development of coastal areas. We should be resolute both in improving the economic environment and rectifying the economic order, and in implementing the strategy for the development of coastal areas. We should thoroughly understand that the endeavor of improvement and rectification and the implementation of the strategy are supplementary to each other. The former is capable of promoting the latter, and the latter is conducive to fulfilling the tasks of the former. Therefore, opening to the outside world serves as a bridge closely linking stability, reform, and development. For our province in particular, the opening to the outside world to a great extent is able to alleviate the difficulties that we encounter in the process of improvement and rectification. To unify our thinking, we should also understand that the international opportunity will not wait for us, and we should race against time in opening to the outside world. We should have a strong sense of urgency and historical responsibility and cut down the projects that should be cut down through improvement and rectification to ensure on a priority basis the infrastructural facilities for opening to the outside world, Chinese-foreign joint ventures and cooperative enterprises, and exclusively foreign funded enterprises, and the (?economic zones) that earn foreign exchange through export. We should correctly understand our current difficulties, and enhance our confidence in opening to the outside world.

Provincial Governor Li Changchun stressed in the last part of his report: This year, our province should adopt resolute measures to further facilitate opening of Liaodong peninsula to the outside world. This year, our province should take the expansion of exports for earning more foreign exchange as the focus, and as a means to promote the development of the opening up of Liaodong peninsula. This year's focus and targets of the work of opening to the outside world are 1) to expand exports for earning more foreign exchange and ensure that the target of earning \$1.84 billion is fulfilled, 2) to introduce foreign funds, foreign advanced technology, and management expertise to the existing old enterprises to accelerate their transformation, 3) to actively develop labor service export, 4) to exert great efforts to put the supply of raw materials and the marketing of products on the world market, and 5) to continue to improve the environment for opening to the outside world, and further successfully open Liaodong peninsula to the outside world.

Zheng Silin, assistant to the provincial governor, relayed the guidelines of the national conference on opening of coastal areas to the outside world. Leading comrades of the provincial party committee, advisory commission, discipline inspection commission, People's Congress, government and CPPCC Committee attended today's conference.

Liaoning Signs \$1 Billion in Loan Agreements
OW1702224789 Beijing XINHUA in English
1532 GMT 17 Feb 89

[Text] Shenyang, February 17 (XINHUA)—Liaoning Province, a leading heavy industrial center in northeast

China, signed foreign loan agreements worth a total of one billion U.S. dollars last year, making it the biggest borrower of all China's provinces, according to the province's Foreign Economic Relations and Trade Commission here today.

The province accounts for one-seventh of the Japanese government loans. This money has been put towards 38 export-oriented projects, said Zhou Junshan, deputy director of the commission.

Priority was given to upgrading existing industrial enterprises and to the production of raw materials, Zhou said.

Construction of an ethylene plant in Fushun, a fatty alcohol plant and a steel plant at the Anshan Iron and Steel Complex each involves an investment of 100 million U.S. dollars.

Liaoning Approves More Foreign Enterprises
OW1902190289 Beijing XINHUA in English
1556 GMT 19 Feb 89

[Text] Shenyang, February 19 (XINHUA)—Northeast China's Liaoning Province last year approved 230 foreign-funded enterprises, five times the figure of 1987, according to a provincial government official today.

These projects involve a total investment of 540 million U.S. dollars, four times the volume of 1987.

Now the province has 414 foreign-funded enterprises and most of them are productive. They operate in the sectors of heavy industry, light and textile industries, building materials, chemicals, science and technology, catering trade and real estate, according to Wang Yongduo, deputy director of the provincial Commission of Foreign Economic Relations and Trade.

He said that as a major center of heavy industry in China, Liaoning has plentiful mineral resources such as iron, boron, magnesite, diamond, talcum and jade, as well as a steadily developing industrial base.

In its cities, there are some 23,000 enterprises of various sizes, including 675 large ones.

In recent years the provincial authorities have strived to improve conditions for foreign investors. As a result, foreign investors from 17 countries and regions have come to the province.

Liaoning Expands International Labor Service
OW1902173189 Beijing XINHUA in English
1514 GMT 19 Feb 89

[Text] Shenyang, February 18 (XINHUA)—Northeast China's Liaoning Province this year will send 10,000 workers abroad to work for labor service projects, according to an official from the provincial Foreign Economic Relations and Trade Committee.

Since 1982 more than 7,000 people have been sent to foreign countries including Tunisia, Iraq, Kuwait, the United States, Japan and the Soviet Union. They have earned about 200 million U.S. dollars, the official said.

Since the province set up the Corporation for International Economic and Technical Cooperation in 1984, three special organizations have been established to sign labor service contracts with foreign countries. The corporation alone signed contracts related to real estate development in Southeast Asia, involving 60 million U.S. dollars.

The official said the province invites foreigners to make investment in the locality while expanding international labor service.

Efforts are being made to undertake construction projects abroad so as to increase exports of technology and equipment, the official said.

Jilin Industrial Production Headquarters Set Up
SK1902064789 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 15 Feb 89

[Text] On the afternoon of 15 February, the provincial government held a meeting of responsible persons of relevant departments and bureaus to analyze the industrial production situation in January and set forth work requirements for the next 1 and 1/2 months.

At the meeting it was urged that we should clearly understand the situation, adopt measures, reach deep into the grass roots, and firmly attend to industrial production. The tempo of the province's industrial production dropped markedly in January due to the strains on power, capital, transportation, and raw materials. In particular, enterprises subordinate to the state and the province and heavy industrial enterprises registered a considerably big decline. For this reason, the provincial government adopted measures for preventing a continuous decline in industrial production.

First of all, we should ensure a stable generation of increasingly more electricity and conscientiously readjust the structure of power usage. Priority should be given to supplying power, capital, and raw materials to the 52 enterprises whose annual profits and taxes surpassed 10 million yuan and to some 200 enterprises engaged in the production of 36 products relating to the people's livelihood, agricultural industries, and supplying raw materials. To ensure a high degree of centralized direction in production, the provincial government established industrial production headquarters. Gao Yan was appointed director of the headquarters and Wang Yunkun was appointed deputy director. The provincial government delegated full managerial powers to the headquarters. The provincial government urged that except for having a leader handle routine work, each and every department and bureau concerned should send all the other leaders to the grass roots enterprises to help

examine and supervise production; to examine the implementation of the increasing production campaign, practicing economy, increasing revenues, and reducing expenditures; to help improve the work styles; and to help eliminate difficulties.

Changes in Heilongjiang Administrative Areas

SK1902110689 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 18 Feb 89

[Text] There were changes in our province's administrative areas in 1988. With the approval of the State Council, Fujin, Tieli, Shangzhi, Shuangcheng and Mishan counties were abolished, and Fujin, Tieli, Shangzhi, Shuangcheng, and Mishan cities at the county level were established. Of them, Fujin, Tieli and Mishan cities are under the direct jurisdiction of the province. The (Meili) District of Qiqihar city restored its name as (Meili) Daur Nationality District. By the end of 1988, the province's administrative areas had been divided into 4 prefectures, 10 prefectural level cities, 14 county level cities, 54 counties, 1 autonomous county, 63 districts under jurisdiction of cities, 4 districts under jurisdiction of prefectures, 381 towns, 4 minority nationality towns, 777 townships, and 48 minority nationality townships.

Northwest Region

Gansu CPC Holds Meeting to Hear Views

HK1902060789 Lanzhou Gansu Provincial Service in Mandarin 0000 GMT 19 Feb 89

[Excerpt] The Gansu Provincial CPC Committee held a meeting yesterday to discuss official business. The leaders of a number of major provincial departments and some veteran cadres were invited to discuss the major business of the province together.

Governor Jia Zhijie reported on progress in agricultural construction and in improvement and rectification work. Comrades Chen Xu, Li Dengying, Li Qiyang, Wang Bingxiang, Ge Shiyang, Yan Shutang, Wang Yaohua and others spoke on the province's population problem, cadre education, agriculture, prices, party building, the elimination of corruption, social order, propaganda work, nationality work, and united front work. They put forward many good suggestions and views.

Provincial Party Committee Secretary Li Ziqi presided at the meeting. He said that the provincial party committee and government should seriously study and implement the suggestions and views proposed. In the future, the provincial party committee will convene similar meetings at irregular intervals to seek your opinions on the province's work and exchange views. This will become a system. We should work together to run the province's affairs well. [passage omitted]

Gansu Leaders Attend Financial Meeting

HK1802054789 Lanzhou Gansu Provincial Service in Mandarin 0000 GMT 18 Feb 89

[Excerpts] A provincial financial work conference which concluded yesterday proposed that the guiding idea for Gansu's financial work this year is to implement the central guideline on improvement and rectification, strengthen macroeconomic regulation and control [tiao kong], tighten belts, vigorously tap sources of finance, and cut deficits. The meeting called on the government at all levels and the fiscal and tax departments to do a good job in supporting the enterprises in developing production and improving economic returns, in controlling expenditure, and in strictly observing fiscal discipline, to ensure the fulfillment of this year's revenue tasks.

Governor Jia Zhijie spoke at the meeting. [passage omitted] Provincial leaders Li Ziqi and Xu Feiqing also attended the meeting and spoke.

Bai Lichen Views Ningxia's Economic Development

HK1902074489 Yinchuan NINGXIA RIBAO in Chinese 2 Feb 89 p 1

[Report: "Bai Lichen Speaks at Regional Meeting on Planning, Economics, and Structural Reform"]

[Text] At the Ningxia regional work conference on planning, economics, and structural reform held from 28 January to 1 February, Chairman Bai Lichen pointed out: Under the new situation of improving the economic environment, rectifying the economic order, and deepening reform and when Ningxia's economic development is faced with capital and material shortages and transportation strains, the effective measures and only way out for us to tide over difficulties and promote long-term, steady economic development are: Earnestly readjust the industrial setup and use the limited financial, material, and transport resources in places where they are needed most; rely on scientific and technological progress; and effect the change in economic development strategy to "paying attention to efficiency, improving quality, developing in coordination, and maintaining a steady growth" put forward by the 13th party congress.

Viewed from the near future, Bai Lichen pointed out, the focus of the readjustment is: First, further strengthen agriculture and on the premise of ensuring the steady growth of grain and grain self-sufficiency within the region, gradually increase the growing of all kinds of industrial crops and develop forestry, animal husbandry, sideline occupations, and fisheries to increase the capital accumulation and development capability of agriculture and provide more raw materials for the development of light industry. Second, make the most of Ningxia's energy advantages. In power industry, we should step up the building of the Daba Power Plant and expansion of the Shijuishan Power Plant. In coal industry, we should tap the potentials of the mining areas under the Helan-shan coalfield, make preparations for the exploitation of

the Lingwu mine, and speed up the construction of the Lingwu Railway. Third, in the processing industry and raw materials industry, organize large- and medium-size enterprises that manufacture quality, famous brand products to carry out coordination with their branch factories in developing more varieties, spare parts, and techniques; promote intensive processing and other industries with Ningxia's energy advantages; and make Ningxia's products competitive in the market at home and abroad. Fourth, vigorously develop all kinds of small local industries that can fill the gaps in the market and give the collective, individual, and private economic sectors a free hand in their development. Fifth, bring about a rational industrial setup of various localities through comprehensive guidance and planning of trades. All prefectures, cities, and counties should determine their industrial policies in light of their specific conditions and avoid duplication in their construction and industrial setups. To coordinate the readjustment of the industrial setup, Bai Lichen pointed out, it is also necessary to strengthen and improve macrocontrol and formulate a series of corresponding policies to realize the objective of readjustment of the industrial setup.

Under the current new situation, Bai Lichen said, we cannot pursue development of the economy by relying on huge capital investment and exhaustion of energy resources. Which road should we follow? Apart from readjusting the industrial setup, our other strategy is to "rely on scientific and technological progress to revitalize Ningxia's economy."

Report on Ningxia's Achievements, Problems
HK1702124889 Yinchuan NINGXIA RIBAO
in Chinese 1 Feb 89 p 1

[Report: "Ningxia's Economy Registered All-Around Development Last Year"]

[Text] Under the guidance of the policy of "stabilizing the economy and deepening the reform," Ningxia's economy registered an all-around development last year, scoring new successes.

The development remarkably built up Ningxia's economic forces. According to preliminary statistics, the regional gross national product for 1988 possibly reached 4.09 billion yuan, a 9.5 percent increase over the previous year (The combined index was calculated at current prices while the growth rate was calculated at comparable prices; figures are calculated similarly hereinafter); the national income registered 3.15 billion yuan, 9 percent higher than the previous year; total social value totaled 7.73 billion yuan, an increase of 12 percent over 1987, of which total industrial agricultural output value (calculated at the 1980 fixed price) figured out at 4.53 billion yuan, showing an increase of 15.6 percent from the previous year; and realized financial revenue was 460 million yuan, a 13.3 percent increase over the previous year.

Agricultural production grew vigorously and grain production made a step forward. Preliminary statistics show that total agricultural output value for 1988 came to 1.115 billion yuan (calculated at the 1980 fixed price), 11.6 percent up on the previous year. Farm production registered an all-around bumper harvest: Grain production topped 1.6 billion kg for the first time, rising to 1.65 billion kg, a increase of 18.6 percent on the previous year, and 6.9 percent higher than 1984, when the grain production hit the record high at that time; oil-bearing crops output amounted to 52.50 million kg, 17.6 percent up over 1987, adding another bumper harvest year to the previous three in history; and beet output registered 475 million kg, 48.9 percent higher than the previous year, hitting a record high. Animal husbandry output value for 1988 was about 190 million yuan, 2.8 percent more than in 1987. Forestry and fisheries grew rather rapidly. Staple agricultural and sideline products increased constantly, greatly alleviating the strain on the supply of agricultural and sideline produces in Ningxia.

Industrial production, which started from a higher level, grew rapidly and achieved good economic results. The industrial gross output value for industrial enterprises at the township level and above region wide totalled 3.21 billion yuan (calculated at the 1980 fixed price), an increase of 17.3 percent as compared with the previous year. The state, collective, private, and other economies grew across the board, of which the state-owned industry grew by 15.1 percent and collectively owned industry by 26.5 percent. Light and heavy industries grew continually, registering 14 and 18.8 percent increases respectively. Of the 43 primary industrial products under examination across the region, outputs of 34 industrial products grew in varying degrees. Aluminum increased by 36.6 percent, iron alloy 38.6, caustic soda 56.4, generated energy 17.5, cement 19.8, chemical fibre 13.6, and woollen blankets 27. The realized income from sales of products of the local budgetary industrial enterprises for 1988 was 1.74 billion yuan and the realized profits and taxes were 310 million yuan, increasing by 36.3 and 53.9 percent respectively over the previous year. Profit and tax rates for the output value increased to 24.3 percent from 1987's 18.2 percent. Turnover rate for circulating funds advanced with the turnover period decreasing to 143 days from 163 days for the previous year.

Transport capacity augmented with the freight volume reaching 6,578.17 million tons in the whole year, an increase of 2.4 percent over the previous year, of which goods moved by rail were 5,269.29 million ton/km and goods moved by highway 1,051.75 million ton/km, swelling by 1.9 and 5.3 percent respectively over the previous year.

Urban and rural markets were brisk and foreign trade made much headway. Total volume of retail sales was to the tune of 2.56 billion yuan in 1988, increasing 27.7 percent compared with the previous year, of which goods sold to the residents moved up by 31 percent and those sold to social groups 8.7 percent. Volumes of retail sales

of various types of goods increased by a comparatively big margin. Market fairs in cities and in the countryside were unprecedentedly brisk with total turnover for the whole year adding up to 440 million yuan, a 43.4 percent increase on the previous year. Volumes of import and export trade totalled \$97.02 million, 35.7 percent higher than the previous year, of which exports came to \$80.18 million and imports 16.84 million, rising 41 and 14.9 percent respectively over 1987.

People's livelihood further improved. Wage payments came up to 1.02 billion, exceeding the 1987 figure by 14.3 percent. According to the sample investigations, the annual per capita living expenditure income (meaning that portion of income used specifically for living expenses as opposed to other work related expenses) for residents in cities and town across the autonomous region averaged 978 yuan, an increase of 123 yuan over the previous year, and the annual per capita net income for peasants registered 480 yuan, showing an increase of 24.1 percent from 1987. Residents in cities, towns, and the rural areas deposited more money in the banks with the year end balance amounting to 1.808 billion yuan, 21.5 percent more than in 1987, of which the savings deposits of the residents in cities and towns accounted for 1.475 billion yuan and peasants 333 million.

On the whole the regional economic situation was good last year. The outstanding problems were that funds, raw and processed materials, and electric power were in short supply, means of transport failed to carry increased goods, and economic returns for investment were poor. The more serious problem was excessive money supply, which increased by 167.3 percent over the previous year. This led to the apparent inflation, price spiral, and decline in some people's living standard. The situation has caused widespread concern in society and effective measures to solve the problems are necessary.

Spring Festival Gathering of Ningxia Leaders
HK1602093889 Yinchuan NINGXIA RIBAO
in Chinese 6 Feb 89 p 1

[Report: "Regional Party Committee and Government Hold Spring Festival Gathering"]

[Text] The fifth of February was the eve of the Lunar New Year. The traditional festival of the Chinese people—the Spring Festival—was at hand. On the afternoon of that day, the Autonomous Regional Party Committee and the Autonomous Regional People's Government held a Spring Festival gathering at the Hall of the Ningxia Guest House. The site of the meeting was filled with a festive atmosphere.

Attending the Spring Festival gathering were Shen Daren, Bai Lichen, Xue Hongfu, Liu Xueji, Li Yunhe, Wang Huanmin, Ma Qingnian, and so forth; responsible

persons of the Ningxia Military District, various departments of the Autonomous Region, and various democratic parties and groups; retired veteran cadres, intellectuals and representatives of physical culture and literature and art circles; national model workers in Yinchuan and special grade model workers of the Autonomous Region; representatives of members of families of revolutionary martyrs and militarymen; and wives of deceased veteran cadres.

Secretary of the Autonomous Regional Party Committee Shen Daren presided over the gathering. Bai Lichen, Deputy Secretary of the Autonomous Regional Party Committee and Chairman of the Autonomous Region, spoke at the gathering. On behalf of the Autonomous Regional Party Committee, the People's Congress Standing Committee, the People's Government and the Political Consultative Conference, he extended New Year greetings to commanders and fighters of PLA units and armed police units and the people of various nationalities of the region. He said that the recently ended year was one of continuously deepening reform, increasing openness and also one of fruitful results in various fields of endeavor. This year is one of improving the economic environment and rectifying the economic order and seeking an overall reform deepening. The tasks confronting us are very arduous. There are also many difficulties and problems ahead. We must stir up our spirits, work hard, share the same will, pool our resources, and concentrate the strength of the people of the whole region in a concerted effort to create a new situation in reforming and building up our region.

Commander of the Ningxia Military District Liu Xueji also spoke at the meeting. On behalf of the Ningxia Military District and the PLA units stationed there, he conveyed festive greetings to workers on various fronts of the region, peasants, cadres, and intellectuals and to members of the families of revolutionary martyrs and militarymen, transferred and retired militarymen, militiamen, and comrades on reserve duty.

At the New Year gathering, literature and art workers presented theatrical programs.

Shaanxi Official Stresses Population Problem
HK1802063189 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 18 Feb 89

[Radio Talk by (Yang Jiaxian), Director of Shaanxi Provincial Family Planning Commission: "Effectively Controlling Population Growth is an Important Measure for Accomplishing our Economic and Social Development Strategy"—live or recorded]

[Excerpts] Last year the provincial party committee and government proposed the strategic schemes of laying the foundation through education and applying science and technology to invigorate Shaanxi, and of focusing on the development of Guanzhong while actively developing north and south Shaanxi. It is planned that by the end of

the century the province's annual gross domestic product will be 60 billion yuan, that grain output will reach 28 billion kg, and that the population will be kept below 35.5 million, thus achieving the goal of a comfortable standard of living.

This is an encouraging plan. However, we must not only see the favorable conditions for achieving it but also the unfavorable factors. Excessively rapid population growth is a prominent unfavorable factor. Hence, effectively controlling population growth in the next 10 and more years is of great significance for accomplishing the province's economic development strategy.

Shaanxi's population in the early post liberation period was 13.17 million. By the end of 1988 it had risen to 31.37 million, a rise of over 18 million. The contradiction between this dramatic increase in population and economic and social development is very sharp. First of all, there is a sharp contradiction between the rapid population growth and the reduction of farmland. In 1949 the province had 65 million mu of farmland; today there are only 53 million mu, a decline of some 12 million mu. This means that on the one hand we are increasing the population by 400,000 a year while on the other the farmland is declining by 300,000 mu a year. As a result, the area of farmland available per person has declined from 5.4 mu in 1949 to 1.7 mu now. It is estimated that this will drop further, to 1.1 mu, by the end of the century. There will be a crisis in land resources and the situation will be cause for panic [kong huang].

Second, the contradiction between excessive population and lack of sufficient grain is also very prominent. In the early post liberation period Shaanxi's grain output was only some 6 billion jin, and now it is nearly 20 billion jin. The output has nearly quadrupled, but in per capita terms, we have struggled hard for 40 years just to increase per capita output by some 80 jin. We must also realize that it will be very difficult to accomplish the goal proposed by the provincial government of producing 28 billion jin of grain by the end of the century, providing 800 jin per person. Even if this goal can be attained, can we guarantee that the population target will not be exceeded?

Apart from this, excessive population growth also puts a number of pressures on employment, education, medical services, transport, social order, urban housing, water, electric power, and so on. There are many great difficulties facing us in striving to attain a comfortable standard of living with an average of \$800 per person. Hence, to attain the strategic goals proposed by the provincial party committee and government, we must continue to make great efforts in many respects. [passage omitted]

The current population situation is extremely serious. We have exceeded the population growth targets for several years in succession. Family planning work in Shaanxi is backward throughout the country. To reverse the situation of excessive population growth and ensure that it is in harmony with economic and social development, we hold that efforts must be made in the following respects:

1. The party and government at all levels, especially the principal leading cadres, must strengthen their sense of population and their concept of per capita figures and persevere in grasping the two kinds of production together. [passage omitted]
2. We must thoroughly implement the provincial regulations on family planning and seriously implement the present policies. [passage omitted]
3. We must vigorously promote propaganda and education. [passage omitted]
4. We must work hard to transform backward areas. [passage omitted]
5. We must set up a family planning work network, including the organs, the staff, and the necessary equipment. In particular, there must be people taking charge of the work in the townships and villages, to ensure that the population plans are properly firmed up.

In short, population is very closely related to economic and social development. It is a strategic issue bound up with the overall situation and is of major significance for attaining the province's economic and social development strategy. We will be making a historical mistake if we pay no heed to the rigorous population situation and fail to grasp the two kinds of production together.

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